Ontario Council on University Affairs

Ninth Annual Report March 1, 1982 to February 28, 1983

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Letter of Transmittal

Ontario

Ontario
Council on
University
Affairs

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February 28th, 1983

The Honourable Bette Stephenson, M.D.,
Minister of Education, Colleges & Universities,
22nd Floor, Mowat Block,
Queen's Park,
Toronto,
Ontario.

Dear Dr. Stephenson,

I respectfully submit herewith the Ninth Annual Report of the Ontario Council on University Affairs, which covers the period from March 1st, 1982 to February 28th, 1983.

Yours sincerely,

B.C. Matthews

B.C. Matthews
Chairman

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Susan Pape
Administrative Assistant

(Members' terms expire on February 28 of the year indicated in parenthesis.)

Introduction

Introduction

The Ninth Annual Report of the Ontario Council on University Affairs covers the period March 1, 1982 to February 28, 1983 and contains the full text of all Advisory Memoranda issued during the year. In addition the present report contains the text of a paper released by Council in January 1983 entitled: "A Financial Analysis of the Ontario University System - 1982". As usual, the report also contains a list of the public meetings held by Council in 1982 and the response of the Government to the recommendations made by Council.

A Financial Analysis of the Ontario University System - 1982

Executive Summary

Since 1977-78, the last year in which Council's funding advice was accepted by Government, the universities have received annual increases in operating grants of 5.8%, 5.1%, 7.2%, 10.1% and 12.2%. Government budgetary expenditures (excluding debt servicing) increased annually by 6.7%, 9.9%, 9.4%, 12.5% and 10.8% for the same five years (1978-79 to 1982-83). These figures indicate that, until 1982-83, the universities received a declining share of Government expenditures. While this trend has been reversed for 1982-83, the universities remain unable to maintain the quality of service at the 1981-82 level, let alone recoup any of the shortfall of previous years. If the universities' share of total Government budgetary expenditure (excluding debt servicing) had been maintained at the 1977-78 level, the universities would have received an additional $500 million over the last five years. *(Introduction)*

In comparison with universities in other provinces, Ontario universities have fared poorly in terms of Government operating support and operating income. In 1974-75, Ontario ranked seventh in operating grants per FTE student and sixth in operating income per FTE student. By 1980-81, Ontario ranked tenth in operating grants per FTE student and ninth in operating income per FTE student. In order for Ontario universities to have been funded at the same level of operating grants per FTE student as the weighted average of the other nine provinces in Canada in 1980-81, the Government of Ontario would have had to provide an additional $264 million in operating grants in that year alone. It does not appear that the Ontario universities' relative financial position improved in 1981-82 or 1982-83. *(Section A).*

Government operating support and total operating revenue received by Ontario universities have lagged behind those received by elementary and secondary schools in the province. From 1970-71 to 1981-82, university operating grants per FTE student and university revenue per FTE student have declined in real terms by about 22%. On the other hand, over the same period, elementary and secondary school revenue per pupil increased in real terms by 40% and 37% respectively when the provincial contribution to the Teachers' Superannuation Fund is included and by 32% and 33% respectively when it is excluded. *(Section B)*

The universities have experienced significant fluctuations in total enrolment and shifts in enrolment among disciplines in recent years. The shifts in enrolment among disciplines have limited the capacity of the institutions to adjust to total funding constraints. *(Section C)*

The number of FTE faculty positions in Ontario universities has declined by about 2% since 1977-78. More significant is the fact that mean salaries for full-time faculty increased by only 39.8%, while the CPI rose by 48.4%. Furthermore, the mean salary of faculty in Ontario universities has lagged behind that of the Western provinces and Quebec even though the mean age of Ontario faculty is higher than that found in those regions. *(Section D)*

The universities have responded to the recent financial constraints by curtailing expenditures on non-salary items such as equipment and furniture and library book and periodical acquisitions. From 1976-77 to 1981-82, equipment and furniture expenditures declined in real terms by about 16%. This decline was in part alleviated in 1982-83 when $8.2 million in research equipment grants was made available to the universities by the Board of Industrial Leadership and Development (BILD) for the purchase of specific scientific and engineering equipment. From 1976-77 to 1981-82 expenditures on library book and periodical acquisitions declined in real terms by about 21%. *(Sections E and F)*

The constraints on capital funding have been even more severe than those imposed on operating support. From 1976-77 to 1982-83, Government support for capital expenditures has fallen short of Council's total recommendations by $18.6 million. For 1982-83 Government has undertaken a new capital funding initiative by providing $5.5 million for labour intensive building repair projects through the Board of

Industrial Leadership and Development. Many of the capital projects funded in 1982-83, whether they are funded through the Ministry of Colleges and Universities capital grants program or under the BILD program, are aimed at upgrading existing facilities to meet fire, occupational health and structural safety requirements. *(Section G)*

Funding of research in the universities improved in 1982-83 as a result of budget increases for the Natural Sciences and Engineering Research Council, the Medical Research Council and the Social Sciences and Humanities Research Council of 12.5%, 13.3% and 20.9% respectively. In addition to the $8.2 million provided under the BILD program in 1982-83 for the purchase of research equipment in science and engineering, the Government of Ontario has allocated $1.78 million towards new or expanded research employment contracts with industry. *(Section H)*

Introduction

Each year, the Ontario Council on University Affairs advises Government on the level of funding required to maintain Ontario's universities. Since 1978-79, Government grants have annually fallen short of Council's funding advice. In the following years, Council prepared a series of annual financial papers examining Government's funding policies and analyzing the impact of underfunding on the university system.[1] In this paper, Council updates and augments that analysis.

In *A Financial Analysis of the Ontario University System – 1981* (December, 1981), Council noted that, from 1978-79 to 1981-82, "annual university operating grants increases averaged 2.6% below the annual increases in Government budgetary expenditures (excluding debt servicing)".[2] This trend of allocating to the university system a declining share of Government budgetary expenditures was reversed for 1982-83 as total Government budgetary expenditures are projected to increase by 10.8%, while the total operating grants to universities will increase by 12.2%. However if, as Council anticipates, enrolment increases by 4% to 5% in 1982-83, the funding increase will be insufficient to maintain quality of service at the 1981-82 level, let alone recoup any of the shortfall which the universities' have experienced in previous years.

During the five-year period in which Council's funding advice has not been accepted (1978-79 to 1982-83), the universities' share of total Government budgetary expenditure (excluding debt servicing) will show a decline of about 15%, while university enrolment will increase by about 9% to 10%. If the universities' share of total Government budgetary expenditure (excluding debt servicing) had been maintained at the 1977-78 level, the universities would have received an additional $500 million over the past five years.

Section A of this paper compares Government funding and total revenue of the Ontario university system with that of other provincial university systems. In Section B, similar comparisons are made with the funding and revenue of the elementary and secondary school system within Ontario. In each case, the Government funding and total revenue positions of Ontario universities compare unfavourably with these other sectors of activity. Section C discusses the changes that have occurred in recent years to total enrolment and to enrolment in various discipline sectors and notes that shifting demands for university programs and services have compounded the universities' difficulties in adjusting to financial constraints.

Sections D, E and F explore the impact of the financial constraints experienced by Ontario universities on key components of their operating expenditures. Section D examines the impact on faculty and staff resources and Sections E and F detail the effects of funding constraints on expenditures for equipment and furniture and for library acquisitions. Despite increasing and shifting demands for services, the faculty and staff complements have nevertheless been reduced in recent years, and expenditures on equipment, furniture and library acquisitions have declined substantially in real terms.

In Section G, provincial funding constraints on capital assistance are shown to have been even more restrictive than those on operating grants. In 1982-83, virtually all the funding for new projects has been allocated to upgrade existing facilities to meet the fire, occupational health and structural safety requirements of the Ministry of Labour. Section H consists of a brief progress report on Canada's efforts to increase its research and development activity and outlines recent developments in federal and provincial funding of university research.

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[1] OCUA, *System on the Brink: A Financial Analysis of the Ontario University System – 1979*, September, 1979.
OCUA, *A Financial Analysis of the Ontario University System – 1980*, September, 1980.
OCUA, *A Financial Analysis of the Ontario University System – 1981*, December, 1981.
The university system refers to the provincially-assisted universities and their affiliated colleges, Ryerson Polytechnical Institute, the Ontario Institute for Studies in Education, and the Ontario College of Art.

[2] OCUA, *Eighth Annual Report*, 1981-82, p. 13.

(A) Interprovincial Comparisons

Council has noted, on a number of occasions, that Ontario universities have faced more severe constraints than universities in most other provinces even though all Provincial Governments have a declared policy of fiscal restraint. Recent data suggest that Ontario's comparative position continued to worsen in 1980-81 and 1981-82, but may have improved marginally in 1982-83.

Table 1 of the Appendix shows the provincial operating grants per full-time equivalent (FTE) university student for each province in Canada, and also the weighted average grant per FTE university student for the nine provinces excluding Ontario, for the period 1974-75 to 1980-81. This indicator, in effect, measures the level of government support made available to universities, taking into account the number of students supported by these funds.[3] Over the period indicated, Ontario declined in rank from seventh to tenth position. Ontario's position, relative to other regions in Canada (the Western provinces, Quebec and the Atlantic provinces) and to the weighted average of the other nine provinces, is illustrated graphically in Figure 1.

Table 2 of the Appendix presents the total university operating income per FTE student for each province for the years 1974-75 to 1980-81. In that period, Ontario dropped from sixth to ninth position among all provinces in operating income per student. Figure 2 indicates that, since 1975-76, Ontario universities have lagged behind those of Quebec, the Western provinces and the Atlantic provinces in level of annual operating income per student.

Table 3 of the Appendix shows the percentage change in Government grants, fees and enrolment in each province for 1981-82 and estimated for 1982-83. Ontario's grant, fee and enrolment increases in these two years are shown to be in the middle to lower end of the range. Based on these indicators, Council has no reason to expect Ontario's comparative position to improve.

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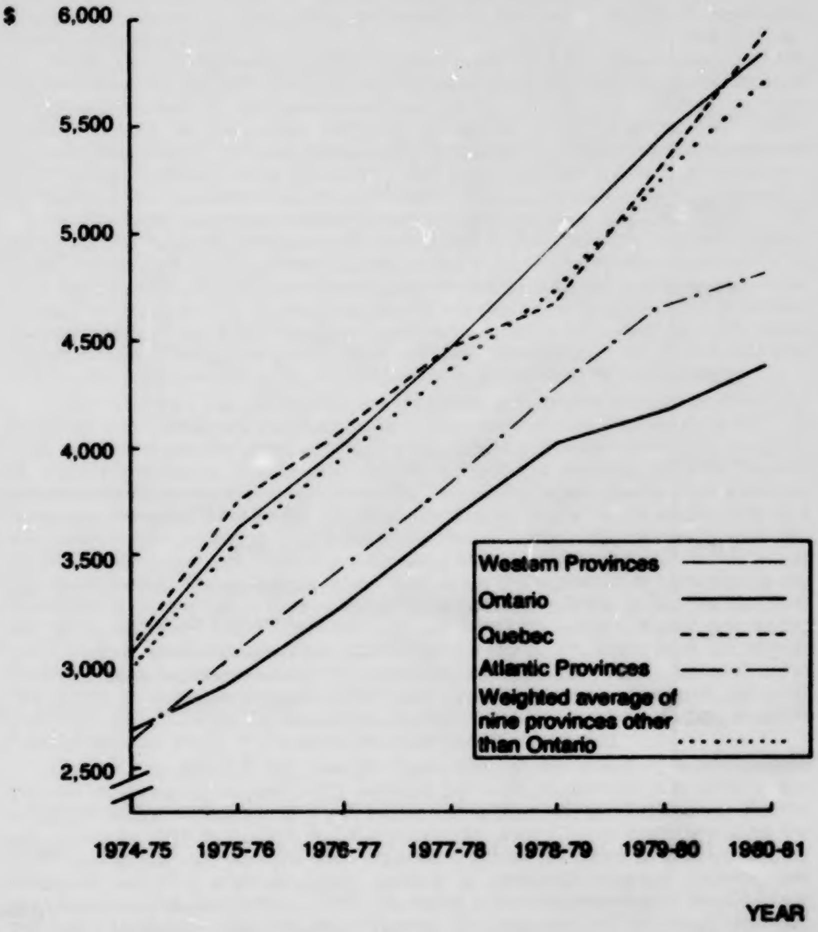
[3] Operating grants include: (i) funds provided for the operation of institutions within the province (ii) funds provided to other provincial governments to support the training of students originating in the province but enrolled in special programs in institutions which are located outside the province.

FIGURE 1

Interprovincial Comparison of University Grants: Provincial Operating Grants per FTE Student, 1974-75 to 1980-81

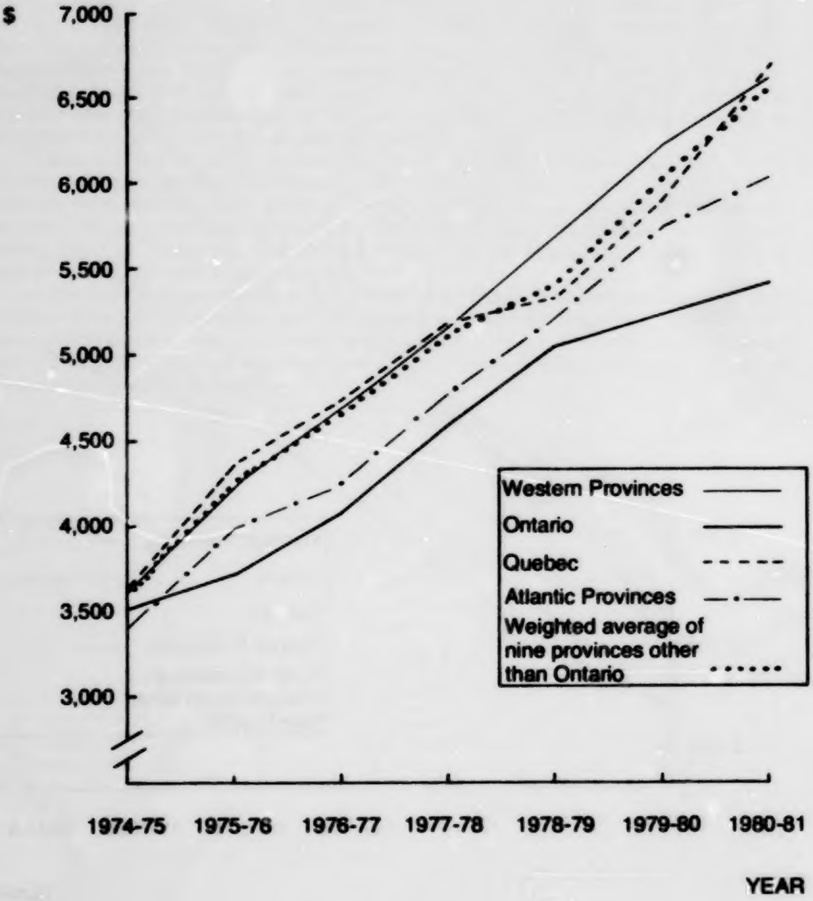


Note: In order for Ontario universities to have been funded at the same level of operating grants per FTE student as the weighted average of the other nine provinces in Canada in 1980-81, the Government of Ontario would have had to increase its operating grants by over $204 million in that year alone

Source: Table 1 of Appendix.

FIGURE 2

Interprovincial Comparison of University Revenue: Total Operating Income per FTE Student, 1974-75 to 1980-81



Note: In order for Ontario universities to have received the same level of operating grants per FTE student as the weighted average of the other nine provinces in Canada in 1980-81, the operating income of Ontario universities would have had to be over $212 million higher in that year alone.

Source: Table 1 of Appendix.

(B) Intraprovincial Comparisons

In recent years, all sectors of education in Ontario have received a substantially reduced share of total Government budgetary expenditures. From 1977-78 to 1981-82, the share of total Government budgetary expenditures for elementary and secondary schools declined by 23.6%, the share for universities declined by 24.3% and the share for the Colleges of Applied Arts and Technology (CAATs) declined by 21.6%. During that period, enrolment in elementary and secondary schools declined by about 10%, whereas enrolment in universities increased by 5% and total CAAT enrolment increased by over 20%.

Table 4 of the Appendix updates a similar table in *A Financial Analysis of the Ontario University System - 1981*. It presents indexes of provincial grants per student for universities and for elementary and secondary schools, measured in constant 1970-71 dollars, for the period 1970- 71 to 1981-82. Figure 3 displays the same information in graphic form and indicates that university funding per student continued to decline in 1981-82, while elementary and secondary school funding increased. During the period, university operating grants per FTE student declined in real terms by 21.7%. Provincial support per elementary and secondary school pupil increased in real terms by 39.7% when the provincial contribution to the Teachers' Superannuation Fund[4] is included in provincial support, and by 32.4% when this contribution is excluded. In 1981-82, the most recent year for which data are available, provincial support per student for the universities declined in real terms by 5.9%, while provincial support per pupil for elementary and secondary schools increased by 0.8% when Government's contribution to the Teachers' Superannuation Fund is included and remained unchanged when this contribution is excluded from this calculation.

Table 5 of the Appendix and Figure 4 present comparable indexes of university revenues and elementary and secondary school revenues for the period 1970-71 to 1981-82. The university index uses provincial grants plus tuition fees as a proxy for revenue. It measures, in constant 1970-71 dollars, the revenue per FTE student received by Ontario universities over this period. Provincial grants plus local tax revenues are used as a proxy for total revenue for the index of elementary and secondary school revenues. This index measures, in real terms, provincial grants plus local tax revenue per pupil received by Ontario elementary and secondary schools over the same period. These indexes show that, when the provincial contribution to the Teachers' Superannuation Fund is included, school revenue per pupil rose 37.1% in real terms between 1970-71 and 1981-82, and by 33.3% when it is excluded. At the same time, university revenues per student declined by 22.1%. In the most recent year for which data are available (1981-82), university revenues per FTE student declined in real terms by 4.7%, while elementary and secondary school revenues per pupil increased by 1.6% when Government's contribution to the Teachers' Superannuation Fund is included and by 1.4% when this contribution is excluded.

Council has noted in the past the desirability of the inclusion of comparable indexes of provincial support and revenue per FTE student for the other major education sector in the province - the Colleges of Applied Arts and Technology. For the years prior to 1981-82 it is not possible to compile what Council considers to be the most appropriate comparative data - operating grants allocated to post-secondary programs per FTE post-secondary student or operating revenue accruing per post-secondary student in the CAATs. The move to formula financing for the CAATs in 1981-82, however, now enables Council to calculate, in a rough manner, post-secondary operating grants per post-secondary student for that year. A single year of data is of little comparative value. However, in the future, Council should be able to make some valid comparisons, using an index similar to that used for elementary and

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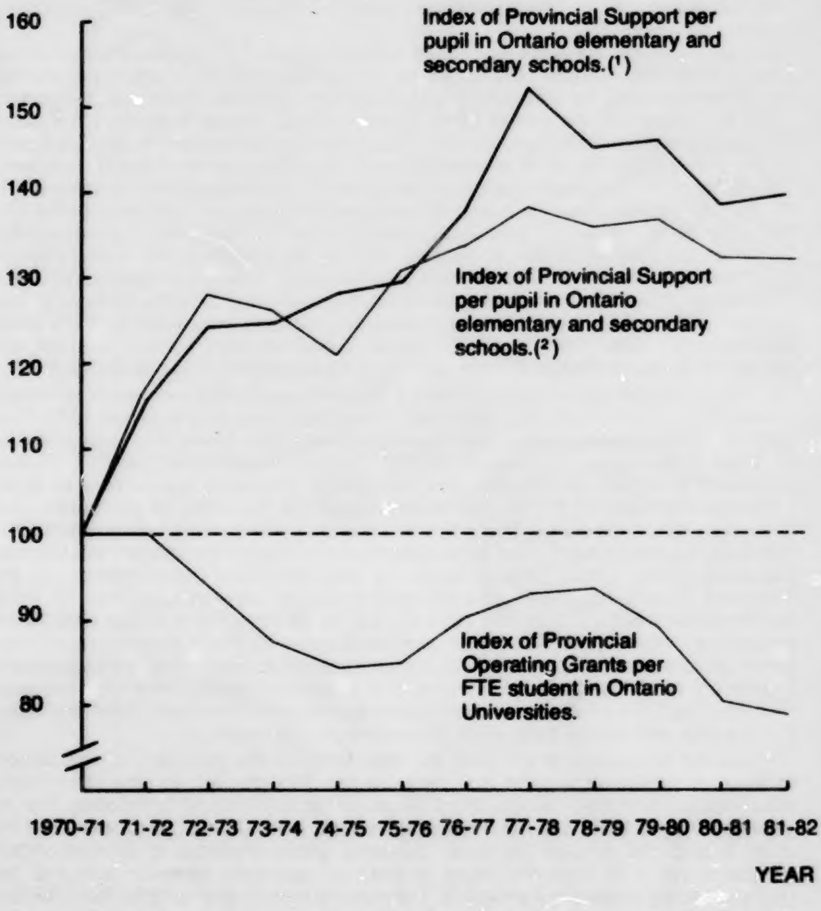
[4] Whenever the provincial contribution to the Teacher's Superannuation Fund is mentioned in this paper, it includes the provincial contribution on behalf of teachers to the Superannuation Fund and Superannuation Adjustment Benefits.

FIGURE 3

Comparison of Provincial Support per Student in Universities and in Elementary and Secondary Schools in Ontario, 1970-71 to 1981-82 (Constant 1970-71 dollars, 1970-71 = 100.00)



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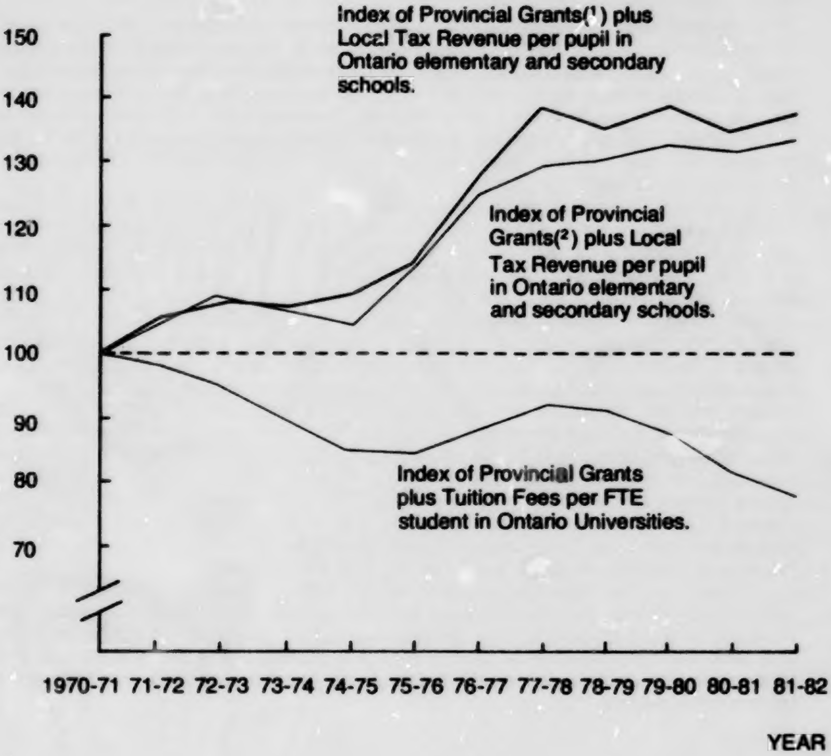
(1) Provincial grants to schools *including* the provincial contribution to the Teachers' Superannuation Fund.

(2) Provincial grants to schools *excluding* the provincial contribution to the Teachers' Superannuation Fund.

Source: Table 4 of Appendix.

FIGURE 4

Comparison of Revenue per Student in Universities and in Elementary and Secondary Schools in Ontario, 1970-71 to 1981-82 (Constant 1970-71 dollars, 1970-71 = 100.00)



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(1) Provincial grants to schools *including* the provincial contribution to the Teachers' Superannuation Fund.

(2) Provincial grants to schools *excluding* the provincial contribution to the Teachers' Superannuation Fund.

Source: Table 5 of Appendix.

secondary school funding comparisons. Nevertheless, information available on total revenue and Government support for all CAAT programs, including non-post-secondary adult training and training in business and industry, suggests that, on a per FTE student basis, the CAATs have not fared as well as the universities in recent years.

(C) Enrolment Trends

In *A Financial Analysis of the Ontario University System - 1981*, Council presented data concerning changes in enrolment over the past several years. Many of the trends noted in that document continued in 1981-82.

At the system-wide level, the participation rate of the 18 to 24 year-old age group continued to increase in 1981-82. Following a decline in the late 1970s, the participation of this group has increased significantly in the last two years. This increase in participation, coupled with continued growth in the size of the age group, led to an increase in Ontario university enrolment of 4.8% in 1981-82. There were 161,669 full-time students and 36,672 FTE part-time students enrolled in Ontario universities and their affiliated colleges, Ryerson Polytechnical Institute, and the Ontario Institute for Studies in Education, for a total FTE enrolment of 198,341.

Significant unpredictable shifts in enrolment, among disciplines, in recent years have forced the universities to reallocate resources internally to meet student demand and have limited the capacity of the institutions to adjust to total funding constraints.

With few exceptions, the trends in enrolment shifts among discipline sectors experienced in the past few years, and noted by Council in *A Financial Analysis of the Ontario University System - 1981*, continued in 1981-82. Table 6 of the Appendix shows undergraduate enrolment in major disciplines and discipline sectors for the period 1973-74 to 1981-82. Full-time undergraduate enrolment has increased in all but two discipline sectors - humanities and agriculture and biological sciences. Fine and applied arts and agriculture and biological sciences were the only discipline sectors with declines in full-time enrolment in 1981-82. The increases in the other sectors in 1981-82 ranged between 0.7% for education to 15.8% for mathematics and physical sciences. Part-time enrolment has increased, from 1973-74 to 1981-82, in all sectors except general arts and science. However, in 1981-82 part-time enrolment declined in fine and applied arts, humanities, agriculture and biological sciences and engineering and applied sciences. There have also been significant shifts in the proportion of total full-time or part-time undergraduate enrolment in certain sectors.

Table 7 of the Appendix provides similar data on graduate enrolment. From 1973-74 to 1981-82, full-time graduate enrolment declined in humanities and health professions and occupations. The remaining sectors had enrolment increases. Part-time enrolment increased in all sectors except humanities. The shifts in the share of total enrolment in individual sectors were more marked at the graduate level than at the undergraduate level.

(D) Faculty and Staff Resources

The number of faculty has declined slightly over the past five years. Data from the Council of Ontario Universities (COU) found in Table 8 of the Appendix show that the number of FTE faculty positions in Ontario universities declined by 295 or 2.2% from 1977-78 to 1981-82. During this period, full-time tenure stream positions increased by

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5. Ministry of Colleges and Universities, *University Audit Reports: Financial Reports*, May 14, 1982, p.p. 10 - 13.

6. These data are drawn from the University Student Information System (USIS) reports on Fall enrolment at the provincially-assisted universities and their affiliated colleges, Ryerson Polytechnical Institute and the Ontario Institute for Studies in Education.

163 or 1.7% while full-time limited term positions declined by 204 or 12.4% and FTE part-time faculty by 253.5 or 14.0%.

Because of a change in methodology, data on the non-academic staff complement provided by COU this year differs from that provided to Council in the past. Comparable data are available only for the years 1979-80 to 1981-82. During that period, the number of non-academic staff declined by about 3.0%, while the number of faculty declined by 0.6%.

From 1977-78 to 1981-82, mean salaries for full-time faculty at Ontario universities rose by 39.8%, while the Consumer Price Index increased by 48.4%. Thus, faculty salaries have fallen significantly in real terms since 1977-78. In addition, since 1976-77, the mean salary of Ontario faculty has been below that of the Western provinces and Quebec. In 1980-81, the mean salary of Ontario faculty was $34,989 compared with $36,690 for the Western provinces and $30,228 for the Atlantic provinces. A comparable figure for Quebec is unavailable for 1980-81. However, in 1979-80, the mean salary of Quebec faculty was $35,116.

(E) Equipment and Furniture Expenditures

The tendency, observed by Council in recent years, of universities to restrict severely non-salary expenditures in response to funding constraints abated slightly in 1981-82. This was particularly true of the expenditures on equipment and furniture. Table 9 of the Appendix shows, for individual institutions and for the system as a whole, the actual expenditures on equipment and furniture for the years 1976-77 to 1980-81 and the anticipated final expenditures on these items for 1981-82.[7] Table 10 of the Appendix shows the same expenditures in constant 1976-77 dollars. Figure 5 illustrates graphically the trend in these expenditures in both current and constant 1976-77 dollars during the period 1976-77 to 1981-82. It is evident from this Figure that the value of equipment and furniture expenditures, in 1981-82, increased in real terms for the first time since the start of the period, but only by 6.7%.

In March of 1982, the Government made $8.2 million in research equipment grants available to the university system (excluding Ryerson and the Ontario College of Art), through the Board of Industrial Leadership and Development (BILD). These grants were designed to provide for the purchase of specific engineering and science equipment. The universities submitted over 500 applications for equipment funds totalling over $39 million. There were 81 equipment grants awarded on the basis of the potential industrial and economic impact of the research being carried out. While this initiative will undoubtedly have a positive impact on the universities' inventory of scientific research equipment, there remains a significant shortage of funds for the purchase of equipment for other important forms of research and instruction.

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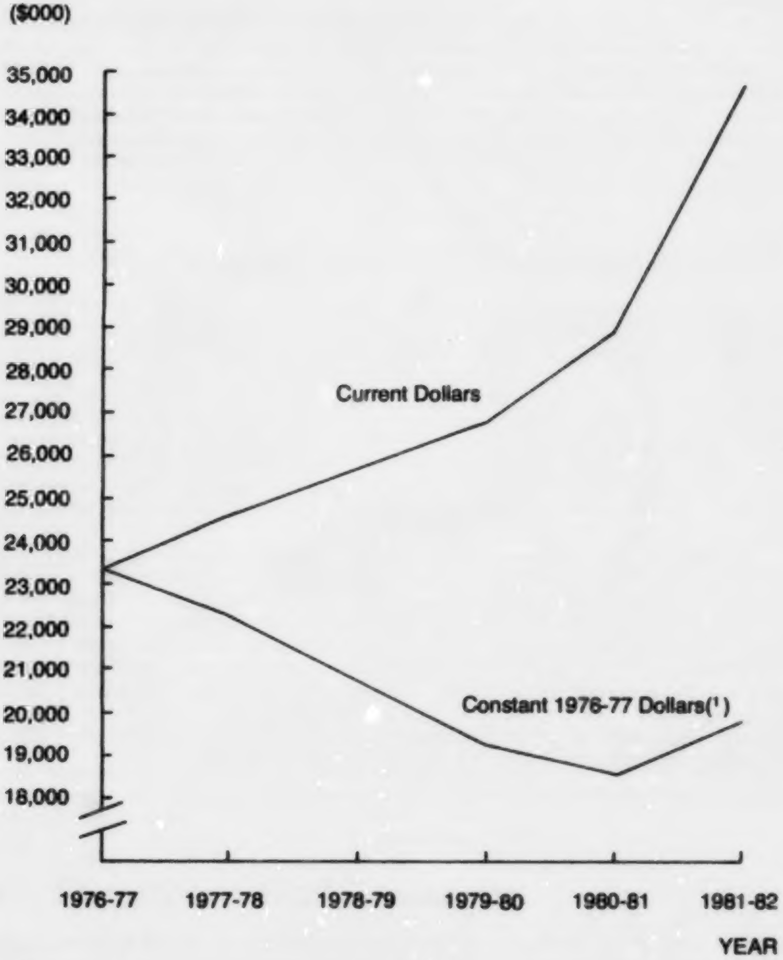
[7] It should be noted that over 80% of expenditures on equipment and furniture are devoted to equipment expenditures, including computer costs.

FIGURE 5

Equipment and Furniture Expenditures from Operating Income, 1976-77 to 1981-82



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(1) The 1977-78 to 1980-81 constant dollar figures were deflated by the equipment and furniture component of the Ontario University Non-Salary Price Index.
The 1981-82 figure is deflated by Council's estimate of the change in the total OUNSPI for 1981-82.

Source: Tables 9 and 10 of the Appendix.

(F) Library Books and Periodicals

In recent years, expenditures on library book and periodical acquisitions have been curtailed by financial restraints on the institutions. Table 11 of the Appendix presents, for individual institutions and for the system as a whole, the expenditures on library acquisitions from 1976-77 to 1981-82. Table 12 of the Appendix shows, for the same period, these expenditures measured in constant 1976-77 dollars.[8] The total value of library acquisitions by Ontario universities, when measured in constant dollars declined by 21.6%, as shown in Figure 6.

As Council has noted in the past, the severity of the decline in library acquisitions can be attributed not only to the pressures of general financial constraints, but also to extraordinary increases in the prices of books and periodicals. As shown in Tables 11 and 12 of the Appendix, library acquisition expenditures increased by about 61% from 1976-77 to 1981-82, while the prices of monograph and periodicals increased by about 103% and 105% respectively.

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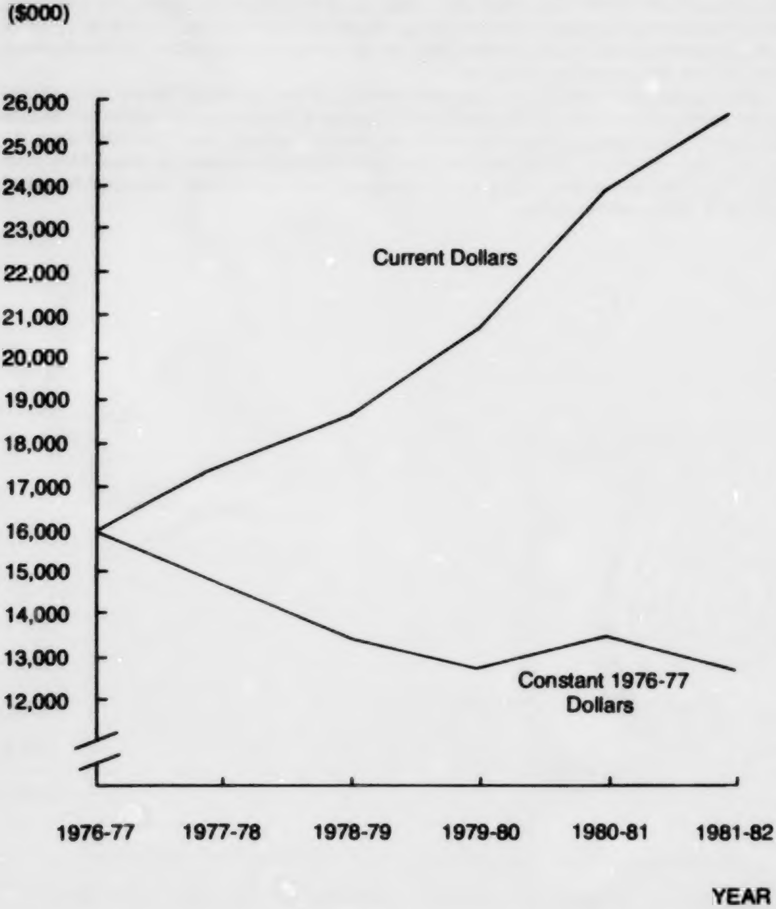
[8] The price deflator used to calculate constant dollar values for 1977-78 to 1980-81 was the books and periodicals component of the Ontario University Non-Salary Price Index. The remaining year of data was deflated by a books and periodicals inflation estimate provided at Council's request by Queen's University.

FIGURE 6

Expenditures on Library Acquisitions from Operating Income, 1976-77 to 1981-82



Note: See footnote 8 of the text.

Source: Tables 11 and 12 of the Appendix

(G) Capital Funding

The capital investment of the Government of Ontario in land, buildings and other physical assets of the Ontario university system is shown in Table 13 of the Appendix. Of the more than one billion dollars Government has invested in the system through capital grants and debentures since 1944, over 80% occurred between 1964-65 and 1973-74. Since that time, there has been little or no capital expansion and increasingly restricted capital funding for repairs, renovations and replacement projects.

Capital grants awarded to Ontario universities by the Ministry of Colleges and Universities totalled $13.5 million in each of the last four years (1979-80 to 1982-83). For 1982-83, an additional source of capital funding in the amount of $5.5 million was made available for repairs to university buildings through the Board of Industrial Leadership and Development as part of a Government program "to create short-term employment at the earliest reasonable opportunity".[9] This repair program concentrates on labour intensive projects involving occupational health and fire safety, asbestos removal and clean-up, energy conservation projects and general repairs to buildings. While this additional funding was indeed welcome, it was not necessarily addressed to projects which the institutions considered to be of highest priority, but rather to those which were most labour intensive.

Table 14 of the appendix shows Council's advice on the capital requirements of the universities and the actual grants made available since 1976-77. Council has consistently recommended to Government that, to maintain Ontario's substantial capital investment in the university system, 1% of the replacement value of the space inventory of the universities be provided annually for new major repairs, renovations and replacement projects (excluding any amounts necessitated by carry-overs).[10] Table 14 indicates that Government funding for this purpose has fallen well short of Council's recommendations. For 1982-83, Council recommended that $23.1 million be provided, but only $4.5 million has been made available. Even when the $5.5 million from the BILD program is taken into account, Government support for maintenance of the capital investment falls $13.1 million short of Council's recommendations for 1982-83.

Data provided by COU indicate that the universities received close to 5,000 occupational health and safety orders from the Ministry of Labour within the last year. It is estimated that compliance with these orders to eliminate specific safety hazards will cost the universities over $4 million. In her letter of April 30, 1982 to the Presidents of Ontario universities announcing the level of capital support for 1982-83, the Minister of Colleges and Universities explained that: "...allocations for new starts have been given almost exclusively to projects that will upgrade existing facilities to meet fire, occupational health and structural safety requirements".

As mentioned above, Council's capital funding recommendations pertain to new major repairs, renovations and replacement projects. However, in recent years, as shown in Table 14 of the Appendix, the majority of Government capital support has been directed towards the continued funding (carry-over) of existing major repairs, renovations and replacement projects and carry-over costs of projects involving the construction of additional space. The funding, even for these projects, has been severely restricted in recent years.

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[9] Board of Industrial Leadership and Development, *BILD-RM Job Creation Program 1982/83*.

[10] See Advisory Memorandum 77-IV for further information on Council's capital recommendations.

(H) Research

In *A Financial Analysis of the Ontario University System - 1980,* Council expressed grave concern over the level of expenditure on Research and Development (R and D) in Canada. It was pointed out that total expenditures on research and development in Canada equalled just over 0.9% of the gross national product (GNP), well behind the levels found in most other major industrial countries. Council also noted that, in 1978, the Government of Canada set a national target for research and development expenditures at 1.5% of GNP by 1983 and that, in 1980, the Minister of State for Science and Technology announced that this target would be delayed until 1985.

Recent data indicate that Canada's gross expenditures on R and D in the natural sciences increased to 1.07% of GNP in 1981. Total R and D expenditures increased by an average annual rate of 16% between 1979 and 1981, with average annual expenditure increases by industry of 20%, by the federal government of 16%, by the provincial governments of 11% and by universities of 6%. These increases fall short of the expenditure increases necessary to meet the target of 1.5% of GNP by5 985. To do so would require total R and D expenditure increases at an average rate of 20%, with annual increases of 27% by industry, 17% by the federal government, 19% by provincial governments and 9% by the universities.[11]

Funding of research in the universities improved in 1982-83 as a result of budget increases for the Natural Sciences and Engineering Research Council (NSERC), the Medical Research Council (MRC) and the Social Sciences and Humanities Research Council (SSHRC) of 12.5%, 13.3% and 20.9% respectively. These increases bring their budgets to $226.1 million for NSERC, $113.5 million for MRC and $56.7 million for SSHRC.

Council has stated on a number of occasions that the level of operating grants provided to Ontario universities in recent years has not allowed the universities to maintain their research base, particularly with respect to equipment and libraries. Therefore, the action of the Government of Ontario referred to in Section E, of providing $8.2 million through the Board of Industrial Leadership and Development to universities for the purchase of research equipment in science and engineering in 1981-82 is especially welcome. An additional $1.78 million was also provided through BILD to support new or expanding research employment contracts with industry. These latter funds were in the form of grants to match research contracts made with private industry. Of the 120 applications for funding, 77 matching grants were awarded. Council is encouraged by this development and hopes that Government will increase its commitment to all forms of university research in the future, recognizing the invaluable contribution such research makes to the development of Ontario.

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[11] Ministry of State for Science and Technology - Canada, *The Government of Canada's Investment in Science,* 1982, p. 8.

Appendix

TABLE 1

Interprovincial Comparison of University Grants: Provincial Operating Grants per FTE Student, 1974-75 to 1980-81

	1974-75		1975-76		1976-77		1977-78		1978-79		1979-80		1980-81	
	$	Rank	$	Rank	$	Rank	$	Rank	$	Rank	$	Rank	$	Rank
British Columbia	3,029	4	3,577	4	4,049	4	4,521	3	5,025	3	5,337	3	5,664	4
Alberta	3,345	1	4,053	1	4,358	1	4,797	1	5,339	2	5,830	2	6,758	1
Saskatchewan	2,977	5	3,410	5	3,767	5	4,107	5	4,615	5	5,096	5	5,302	5
Manitoba	2,594	8	3,016	6	3,453	6	3,874	7	4,123	7	4,770	7	4,499	7
Quebec	3,057	3	3,752	3	4,079	3	4,449	4	4,657	4	5,299	4	5,935	2
New Brunswick	2,704	6	3,003	7	3,445	7	3,905	6	4,364	6	4,762	6	4,929	6
Nova Scotia	2,431	9	2,836	9	3,233	9	3,497	9	3,819	9	4,074	10	4,379	9
P.E.I.	2,414	10	2,589	10	2,974	10	3,030	10	3,544	10	4,246	8	4,441	8
Newfoundland	3,079	2	3,809	2	4,157	2	4,625	2	5,485	1	5,994	1	5,684	3
Weighted average for 9 provinces other than Ontario	2,983		3,577		3,950		4,347		4,706		5,249		5,700	
Ontario	2,690	7	2,913	8	3,265	8	3,669	8	4,002	8	4,140	9	4,273	10
Canada	2,871		3,322		3,687		4,097		4,456		4,851		5,191	

Source: Fourth Report of the Tripartite Committee on Interprovincial Comparisons, September, 1982, p. 7.

TABLE 2

Interprovincial Comparison of University Revenue: Total Operating Income per FTE Student, 1974-75 to 1980-81

	1974-75		1975-76		1976-77		1977-78		1978-79		1979-80		1980-81	
	Rank	$	Rank	$	Rank	$	Rank	$	Rank	$	Rank	$	Rank	$
British Columbia	3,682	4	4,312	4	4,871	2	5,344	3	5,886	3	6,058	4	6,412	4
Alberta	3,839	2	4,525	2	4,839	3	5,371	2	6,024	2	6,613	2	7,594	1
Saskatchewan	3,692	3	4,238	5	4,609	5	5,049	5	5,662	5	6,232	3	6,378	5
Manitoba	3,030	10	3,579	9	3,996	8	4,441	8	4,780	9	5,422	7	5,483	8
Quebec	3,643	5	4,373	3	4,743	4	5,165	4	5,347	4	5,890	5	6,683	3
New Brunswick	3,322	7	3,664	8	4,085	7	4,582	7	4,830	8	5,690	6	5,890	7
Nova Scotia	3,303	8	3,850	6	3,934	9	4,294	9	4,930	7	5,257	8	5,823	6
P.E.I.	3,219	9	3,360	10	3,394	10	3,256	10	4,418	10	4,973	10	5,073	10
Newfoundland	3,844	1	4,930	1	5,438	1	6,344	1	6,821	1	7,222	1	7,052	2
Weighted average for 9 provinces other than Ontario	3,592		4,251		4,634		5,094		5,476		6,002		6,567	
Ontario	3,502	6	3,714	7	4,094	6	4,594	6	5,038	6	5,239	9	5,421	9
Canada	3,556		4,045		4,426		4,910		5,320		5,711		6,158	

Source: Fourth Report of the Tripartite Committee on Interprovincial Comparisons, September, 1982 p. 11.

TABLE 3

Interprovincial Comparisons, 1981-82 and 1982-83

	% Increase in Grants		% Increase in Fee Rates [1]		% Change in FTE Enrolment [2]	
	1981-82	1982-83	1981-82	1982-83	1981-82	1982-83
British Columbia	14.3	7.5	13.0	29.0	4.0	6.0
Alberta	13.1	14.6	0.0	20.0	3.0	10.0
Saskatchewan [4]	12.9	14.9	7.2-7.7	8.2-10.0	7.0	10.3
Manitoba	13.4	15.7	8.9	0.0	8.6	10.6
Ontario	10.1	12.2	10.0-21.0 [3]	12.2-23.4 [3]	4.8	4.5
Quebec	5.6	4.2	0.0	0.0	1.8	3.5
New Brunswick	10.2	13.6	12.8	15.0	8.4	8.0
Nova Scotia	12.5	12.4	10.5	13.6	3.9	8.5
P.E.I.	9.7	12.7	12.1	15.5	6.9	9.5
Newfoundland	13.9	10.0	10.0	11.8	1.6	15.0

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(1) Fee increase may differ among institutions and programs within institutions. When no range of increases is provided, the figure represents a rough average of fee increases across the province.

(2) Enrolment changes for 1982-83 are estimates.

(3) Comprised a formula fee rate increase of 10.0% in 1981-82 and 12.2% in 1982-83 and a discretionary fee rate increase of up to 10% of the formula fee rate.

(4) Based on the universities' fiscal year, not the Government's fiscal year.

TABLE 4

Comparison of Provincial Support per Student in University and in Elementary and Secondary Schools in Ontario in Constant 1970-71 Dollars, 1970-71 = 100.00, 1970-71 to 1981-82

	Index of Provincial Operating Grants per FTE University Student	Index of Provincial Support per Elementary and Secondary Pupil [1]	Index of Provincial Support per pupil, excluding Teachers' Superannuation
1970-71	100.0	100.0	100.0
1971-72	100.0	116.3	116.7
1972-73	94.0	124.6	127.8
1973-74	87.9	124.8	126.0
1974-75	84.8	128.0	120.9
1975-76	85.1	129.6	130.7
1976-77	90.6	137.7	133.7
1977-78	93.6	152.1	137.8
1978-79	94.0	145.8	135.9
1979-80	89.6	146.4	136.9
1980-81	83.2	138.6	132.4
1981-82	78.3	139.7	132.4

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(1) Provincial Grants to schools include the provincial contribution to the Teachers' Superannuation Fund.

Note: Indexes are in constant 1970-71 dollars, deflated by the January CPI for each year.

Sources: Ministry of Colleges and Universities
Ministry of Education

TABLE 5

Comparison of Revenue per Student in University and in Elementary and Secondary Schools in Ontario in Constant 1970-71 Dollars, 1970-71 = 100.00, 1970-71 to 1981-82

	Index of Provincial Operating Grants Plus Tuition Fees Per FTE University Student	Index of Provincial Grants plus Local Tax Revenue per Elementary and School Pupil[1]	Index of Provincial Grants plus Local Tax Revenue per Pupil, excluding Teachers' Superannuation
1970-71	100.0	100.0	100.0
1971-72	98.3	105.5	105.3
1972-73	95.6	108.0	108.8
1973-74	89.8	106.9	106.7
1974-75	85.4	109.1	104.6
1975-76	84.3	113.4	113.2
1976-77	88.0	127.4	124.8
1977-78	91.8	137.5	129.5
1978-79	91.3	135.5	130.1
1979-80	87.3	138.0	132.9
1980-81	81.8	134.9	131.5
1981-82	77.9	137.1	133.3

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(1) Provincial Grants to schools include the provincial contribution to the Teachers' Superannuation Fund.

Note: Indexes are in constant 1970-71 dollars, deflated by the January CPI for each year.

Sources: Ministry of Colleges and Universities
Ministry of Education

TABLE 6

Full-Time and Part-Time FTE Graduate Enrolment by Discipline Sector, 1973-74 to 1981-82

		1973-74		1974-75	1975-76	1976-77	1977-78	1978-79	1979-80	1980-81	1981-82		% Change 1973-74 to 1981-82
		number	% share of total								number	% share of total	
Education	FT	8,433	7.3	9,540	11,035	11,638	10,718	10,007	9,187	9,581	9,651	6.6	14.4
	PT	129	1.1	183	233	239	359	586	1,404[1]	2,082[1]	2,265[1]	16.1	1,655.8
Physical	FT	4,862	4.2	5,302	5,521	5,720	5,632	5,585	5,428	5,447	5,598	3.8	15.1
Education[2]	PT	39	0.3	71	97	69	75	86	113	75	82	0.6	110.3
Fine and	FT	4,734	4.1	5,103	5,277	5,516	6,608	6,566	6,255	6,542	5,286	3.6	11.7
Applied Arts	PT	203	1.7	241	271	250	557	628	770	760	354	2.5	74.4
Humanities	FT	11,130	9.6	11,508	11,668	12,312	11,602	10,255	10,329	9,872	10,165	6.9	(8.7)
& Related	PT	1,164	9.9	1,285	1,397	1,352	1,430	1,327	1,216	1,228	1,200	8.6	3.1
Social Science	FT	26,638	22.9	28,583	32,525	33,974	34,495	34,675	33,836	35,960	38,996	26.5	46.4
& Related	PT	2,935	24.8	3,124	3,790	3,781	3,677	3,786	3,503	3,857	4,039	28.8	37.6
Commerce and	FT	6,991	6.0	7,954	8,501	9,324	9,786	10,568	10,839	12,686	14,666	10.0	109.8
Business[2]	PT	523	4.4	648	833	892	902	1,049	1,115	1,262	1,436	10.2	174.6
Agriculture &	FT	8,356	7.2	9,232	9,256	9,430	9,180	8,789	7,934	7,678	7,556	5.2	(9.6)
Biological Science	PT	138	1.2	177	205	183	168	164	162	157	154	1.1	11.6
Engineering &	FT	12,614	10.8	13,414	14,435	15,566	15,947	16,466	16,941	17,396	18,028	12.3	42.9
Applied Science	PT	180	1.5	239	287	292	283	312	329	364	320	2.3	77.8
Enginering & Engineering	FT	10,796	9.3	11,388	12,260	13,195	13,594	14,090	14,710	15,085	15,715	10.7	45.6
Science[2]	PT	168	1.4	218	257	249	236	258	281	301	270	1.9	60.7
Health Professions	FT	7,118	6.1	7,827	8,275	8,819	9,733	9,892	10,416	10,346	10,605	7.2	49.0
& Occupations	PT	81	0.7	89	128	140	166	169	161	165	174	1.2	114.8
Mathematics &	FT	6,961	6.0	7,731	8,020	8,203	8,285	7,285	8,875	8,792	10,184	6.9	46.3
Physical Science	PT	337	2.8	333	336	324	328	346	375	417	493	3.5	46.3
General Arts	FT	30,278	26.0	27,743	26,652	33,384	31,531	30,430	33,986	35,614	36,467	24.8	20.4
& Science	PT	6,665	56.3	5,874	6,023	5,620	5,355	4,933	5,082	4,846	5,040	35.9	(24.4)
Total[3]	FT	116,262	100.0	120,681	127,143	138,842	138,099	135,365	136,759	141,781	146,938	100.0	26.4
	PT	11,832	100.0	11,545	12,670	12,181	12,323	12,251	13,082	13,876	14,039	100.0	18.7
Not Applicable	FT	6,208		9,931	10,773	4,961	4,610	3,632	2,912	3,196	3,521		
& Not Reported	PT	3,271		4,727	4,865	4,962	6,794	7,249	7,807	7,968	8,434		
TOTAL FTE		137,573		146,884	155,451	160,946	161,826	151,497	160,560	166,821	172,932		25.7

(1) The universities' part-time education enrolment increased rapidly when the universities assumed responsibility for courses previously operated by the Ministry of Education.

(2) These enrolment figures are included in the sector total immediately above.

(3) These figures do not include "Not Applicable" and "Not Reported" student numbers.

Source: USIS 110100111 and 110100112.

TABLE 7

Full-Time and Part-Time FTE Graduate Enrolment by Discipline Sector, 1973-74 to 1981-82

		1973-74		1974-75	1975-76	1976-77	1977-78	1978-79	1979-80	1980-81	1981-82		% Change
		number	% share of total								number	% share of total	1973-74 to 1981-82
Education	FT	1,071	6.8	803	898	1,054	1,040	1,031	1,103	1,158	1,151	7.2	7.5
	PT	761	27.8	830	924	1,052	1,030	991	998	983	940	28.7	23.5
Physical[1]	FT	66	0.4	98	117	128	144	147	182	213	223	1.4	237.9
Education	PT	19	0.7	14	13	21	21	23	26	23	22	0.7	15.8
Fine and	FT	206	1.3	190	193	199	253	246	256	300	311	1.9	51.0
Applied Arts	PT	14	0.5	18	21	24	23	25	27	26	31	0.9	121.4
Humanities & Related	FT	3,129	19.8	3,180	3,136	3,138	3,274	3,244	2,807	2,743	2,827	17.7	(9.7)
	PT	470	17.2	447	457	472	521	548	482	439	401	12.3	(14.7)
Social Sciences	FT	5,395	34.2	5,484	5,987	6,091	5,990	5,980	5,797	5,869	6,124	38.3	13.5
and Related	PT	971	35.5	1,026	1,158	1,195	1,188	1,163	1,194	1,258	1,288	39.4	32.6
Commerce and	FT	1,443	9.1	1,352	1,551	1,615	1,622	1,666	1,786	1,895	1,947	12.2	34.9
Business[1]	PT	491	18.0	462	566	605	568	569	605	660	686	21.0	39.7
Agriculture &	FT	806	5.1	606	671	1,091	1,066	1,029	1,060	1,157	1,175	7.3	45.8
Biological Science	PT	56	2.1	43	46	56	60	55	57	64	61	1.9	8.9
Engineering &	FT	1,409	8.9	1,473	1,540	1,597	1,500	1,392	1,426	1,521	1,559	9.8	10.6
Applied Sciences	PT	290	10.6	330	372	325	313	293	317	313	301	9.2	3.8
Engineering &	FT	1,376	8.7	1,429	1,495	1,522	1,433	1,324	1,356	1,443	1,473	9.2	7.0
Engineering Science[1]	PT	283	10.4	325	365	317	304	286	312	309	297	9.1	4.9
Health Professions	FT	2,078	13.2	1,941	1,895	1,704	751	852	925	932	1,026	6.4	(50.6)
& Occupations	PT	46	1.7	45	46	89	97	99	114	106	109	3.3	137.0
Mathematics &	FT	1,688	10.7	1,628	1,760	1,798	1,636	1,518	1,416	1,470	1,816	11.4	7.6
Physical Sciences	PT	125	4.6	145	142	127	134	141	135	136	139	4.3	11.2
Total [2]	FT	15,782	100.0	15,305	16,080	16,672	15,510	15,292	14,810	15,150	15,989	100.0	1.3
	PT	2,733	100.0	2,884	3,166	3,340	3,366	3,315	3,324	3,325	3,270	100.0	19.6
Not Applicable &	FT	500		1,216	1,569	481	147	129	142	118	123		
Not Reported	PT	135		189	225	184	158	155	135	131	127		
TOTAL FTE		19,150		19,594	21,040	20,677	19,181	18,891	18,411	18,724	19,509		1.9

(1) These enrolment figures are included in the sector totals immediately above.

(2) These figures do not include "Not Applicable" and "Not Reported" student numbers.

Source: USIS 110100113 and 110100114.

TABLE 8

Academic Staff Complements, 1977-78 to 1981-82[1]

	1977-78	1978-79	1979-80	1980-81	1981-82
Full-Time Tenure Stream	9,808	9,926	9,795	9,838	9,971
Full-Time Limited Term	1,643	1,584	1,584	1,522	1,439
FTE of Part-Time	1,815.9	1,751.3	1,666.6	1,691.4	1,562.4
TOTAL FTE	13,266.9	13,261.3	13,045.6	13,051.4	12,972.4

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(1) Data were not available for: Algoma, Nipissing, Hearst and Dominican College, the Ontario College of Art and the church-related affiliates of the provincially assisted universities. Full-time faculty is reported as of October 1st of each year.

Source: Council of Ontario Universities.

TABLE 9

Equipment and Furniture Expenditures from Operating Income 1976-77 to 1981-82 ($000)

	1976-77	1977-78	1978-79	1979-80	1980-81	1981-82
Brock	271	238	206	321	316	322
Carleton	1,023	1,209	1,230	976	1,046	1,584
Guelph	1,633	1,482	1,812	2,109	1,870	2,117
Lakehead	291	355	346	430	194	276
Laurentian	188	307	312	252	762	203
Nipissing	63	33	26	20	28	33
Hearst	68	17	19	25	3	3
McMaster	1,414	1,718	2,035	1,371	1,578	2,570
Ottawa	1,301	1,395	1,563	2,214	2,652	2,802
Queen's	1,574	803	1,182	1,474	1,608	2,036
Toronto	4,704	5,814	7,003	5,964	7,503	8,006
Trent	160	138	118	111	112	104
Waterloo	2,432	3,099	2,255	2,720	2,593	2,906
Western	3,138	3,336	3,283	3,409	4,450	5,660
WLU	574	556	565	522	501	689
Windsor	1,064	1,010	975	1,241	1,470	1,994
York	1,210	948	1,439	1,759	1,389	1,574
Ryerson	2,057	1,941	956	1,176	618	1,564
OISE	251	260	349	221	135	117
TOTAL	23,416	24,686	25,674	26,315	28,828	34,560

Note: Excludes Algoma College since data were not available for 1976-77.

Source: COFO-UO Financial Reports for 1976-77, 1977-78, 1978-79, 1979-80 and 1980-81. Anticipated final expenditures obtained from the universities for 1981-82.

TABLE 10

Expenditures on Equipment and Furniture from Operating Income 1976-77 to 1981-82 - Constant 1976-77 Dollars ($000)

	1976-77	1977-78	1978-79	1979-80	1980-81	1981-82
Brock	271	213	166	235	203	184
Carleton	1,023	1,079	990	714	671	905
Guelph	1,633	1,323	1,458	1,543	1,200	1,209
Lakehead	291	317	278	315	125	158
Laurentian	188	274	251	184	489	116
Nipissing	63	29	21	15	18	19
Hearst	68	15	15	18	2	2
McMaster	1,414	1,534	1,637	1,003	1,013	1,468
Ottawa	1,301	1,246	1,257	1,620	1,702	1,600
Queen's	1,574	717	951	1,078	1,032	1,163
Toronto	4,704	5,191	5,634	4,363	4,816	4,572
Trent	160	123	95	81	72	59
Waterloo	2,432	2,767	1,814	1,990	1,664	1,660
Western	3,138	2,979	2,641	2,494	2,856	3,232
WLU	574	496	455	382	322	393
Windsor	1,064	902	784	908	944	1,139
York	1,210	846	1,158	1,287	892	899
Ryerson	2,057	1,733	769	860	397	893
OISE	251	232	281	162	87	67
TOTAL	23,416	22,016	20,655	19,252	18,505	19,738

Notes: 1. Excludes Algoma College since data were not available for 1976-77

2. The price deflator used for calculating constant dollar values for 1977-78 to 1980-81 was the Equipment, Computer and Furniture component of the Ontario Universities' Non-Salary Price Index. The price deflator used for 1981-82 was Council's estimate of the value of the total Ontario Universities' Non-Salary Price Index. The percentage increases in the Equipment, Computer and Furniture component of the index were quite similar to those experienced by the total index in the first five years of the table

Source: COFO-UO Financial Reports for 1976-77, 1977-78, 1978-79, 1979-80 and 1980-81
Anticipated final expenditures obtained from the universities for 1981-82

TABLE 11

Expenditures on Library Acquisitions from Operating Income, 1976-77 to 1981-82 ($000)

	1976-77	1977-78	1978-79	1979-80	1980-81	1981-82
Brock	239	369	378	409	421	392
Carleton	1,022	1,217	1,128	1,167	1,126	1,282
Guelph	952	976	1,113	894	1,490	1,644
Lakehead	385	458	418	461	493	509
Laurentian	300	341	344	338	358	366
McMaster	1,524	1,588	1,857	2,059	2,268	2,471
Ottawa	1,143	1,250	1,345	1,517	1,888	1,923
Queen's	1,064	1,087	1,196	1,553	1,724	1,911
Toronto	2,539	2,935	3,360	3,907	4,731	5,541
Trent	353	409	365	421	471	372
Waterloo	1,143	1,411	1,513	1,648	1,834	2,036
Western	1,869	1,698	1,986	2,180	2,586	2,668
WLU	541	613	631	613	724	757
Windsor	1,039	1,070	1,039	1,129	1,243	1,259
York	1,228	1,316	1,438	1,712	1,916	1,887
Ryerson	340	352	267	366	444	502
OISE	119	142	158	168	178	103
TOTAL	15,890	17,232	18,536	20,542	23,841	25,623

Source: Council of Ontario Universities for the years 1976-77 and 1977-78.
COFO-UO Financial Reports for 1978-79 to 1980-81.
Anticipated final expenditures obtained from the universities for 1981-82.

TABLE 12

Expenditures on Library Acquisitions from Operating Income, 1976-77 to 1981-82 Constant 1976-77 Dollars ($000)

	1976-77	1977-78	1978-79	1979-80	1980-81	1981-82
Brock	329	311	275	253	238	192
Carleton	1,022	1,027	820	722	637	627
Guelph	952	824	809	553	843	804
Lakehead	385	386	304	285	279	249
Laurentian	300	288	250	209	202	179
McMaster	1,524	1,340	1,351	1,274	1,283	1,209
Ottawa	1,143	1,055	978	939	1,068	941
Queen's	1,064	917	870	961	975	935
Toronto	2,539	2,477	2,444	2,418	2,676	2,711
Trent	353	345	265	251	236	182
Waterloo	1,143	1,191	1,100	1,020	1,037	996
Western	1,869	1,433	1,444	1,349	1,463	1,305
WLU	541	517	459	379	410	370
Windsor	1,039	903	756	699	703	616
York	1,228	1,111	1,046	1,059	1,084	923
Ryerson	340	297	194	226	251	246
OISE	119	120	115	104	101	50
TOTAL	15,890	14,542	13,480	12,711	13,486	12,535

Note: The price deflator used for calculating constant dollar values for 1977-78 to 1980-81 was the Books and Periodicals component of the Ontario Universities' Non-Salary Price Index. The price deflator used for 1981-82 was estimated by Queen's University at Council's request.

Source: Council of Ontario Universities for the years 1976-77 and 1977-78.
COFO-UO Financial Reports for 1978-79 to 1980-81.
Anticipated final expenditures obtained from the universities for 1981-82.

TABLE 13

Historical Summary
Capital Funding for Universities, Ryerson, OCA, 1944-64 to 1981-82
($000)

	OUCAC Debentures [4]	Capital Grants	Minor Repairs & Maintenance	BILD RM Job Creation	Health[2] Sciences	Min.of Energy	Wintario Grants [3]	Total
1944-64		83,448						83,448
1964-65	45,600							45,600
1965-66	89,239							89,239
1966-67	93,105							93,105
1967-68	99,995							99,995
1968-69	132,974							132,974
1969-70	101,619				7,634			109,253
1970-71	111,760				28,045			139,805
1971-72	114,739				21,308			136,047
1972-73	89,162				9,550			98,712
1973-74	46,254				8,238			54,492
1974-75	17,398				4,244			21,642
1975-76	16,236		2,746		4,176	435		23,593
1976-77	11,190		4,086		5,330	115	985	21,706
1977-78	18,250		5,800[1]		7,693	146		31,889
1978-79		15,247			2,076	178		17,501
1979-80		13,500			5,107	45	930	19,527
1980-81		13,500			4,924	50	2,170	20,644
1981-82		13,500			5,500+			19,000
1982-83		13,500		5,500				
TOTAL	1,140,161		12,632	5,500	113,825	969	4,085	1,258,172

(1) Amount added to operating grant base in 1979-80.
(2) Excludes bridge financing grants, but includes $804,000 for biohazard containment in 1979-80.
(3) Amounts committed in the year shown.
(4) Capital projects funded by debentures issued by the Government of Ontario.

Source: Ministry of Colleges and Universities

TABLE 14

Annual OCUA Recommendation for New Capital Funding for Major Repairs, Renovations and Replacement Projects and Government Allocation of Capital Grants, 1976-77 to 1981-82 ($000)

	1976-77	1977-78	1978-79	1979-80	1980-81	1981-82	1982-83[2]
(A) GRANTS FOR WHICH OCUA MAKES RECOMMENDATIONS:							
OCUA Recommendation for Funding of New Major Repairs, Renovations and Replacement Projects (Excluding Carry-Overs and New Construction)	11,800.0	14,100.0	14,500.0	17,900.0	19,100.0	21,200.0	23,100.0
(B) GOVERNMENT GRANTS IN RESPONSE TO THE OCUA RECOMMENDATIONS:							
1. Major Renovations and Repairs							
New Starts	6,182.0	6,533.8	5,326.0	850.0	4,661.9	6,305.0	4,470
(Shortfall in Government New Capital Funding for Major Repairs and Renovations)	(5,618.0)	(7,566.2)	(9,174.0)	(17,050.0)	(14,438.1)	(14,895.0)	(18,630)
(C) GOVERNMENT GRANTS FOR WHICH OCUA DOES NOT MAKE RECOMMENDATIONS:							
1. Major Renovations and Repairs (continued)							
Carry-Overs	2,523.4	4,865.0	2,499.1	10,451.1	7,072.1	5,464.5	5,530
2. New Construction							
New Starts	2,208.0	411.7	2,118.0	-	50.0	-	-
Carry-Overs	-	5,769.5	5,303.5	2,198.9	1,716.0	1,730.5	3,500
TOTAL	2,208.0	6,181.2	7,421.5	2,198.9	1,766.0	1,730.5	3,500
3. Land Purchases							
New Starts	-	609.0	-	-	-	-	-
Carry-Overs	276.6	-	-	-	-	-	
TOTAL	276.6	609.0	-	-	-	-	-
TOTAL GOVERNMENT CAPITAL GRANTS[1]	11,190.0	18,189.0	15,246.6	13,500.0	13,500.0	13,500.0	13,500.0

Notes: 1. Sum of "New Starts" in Section (B) and "New Starts" and "Carry-Overs" in Section (C).

2. The 1982-83 grant figures are "tentative".

Source: Ministry of Colleges and Universities.

Council's Advisory Memoranda

82-I Graduate Program Funding-Teaching MA(T)/MSc(T), McMaster University; Veterinary Science (DVSc), University of Guelph; Speech Pathology (MHSc), University of Toronto

In Advisory Memorandum 81-VII, which was accepted by the Minister on January 14, 1982, Council announced the establishment of its new Academic Advisory Committee. Council also indicated that the seven new graduate programs which the Council of Ontario Universities (COU) had recommended to Council for funding consideration, would be referred to that Committee. In addition to the six programs forwarded to Council by COU in 1980, a seventh, the University of Guelph's doctoral program in Veterinary Science, was forwarded to Council in the summer of 1981. In Advisory Memorandum 80-V, Council recommended against funding six of the programs, in 1981-82, because COU declined to comment on certain Council requirements for the funding of new graduate programs. Also, the roles of COU and Council in the area of graduate program funding consideration had not been adequately defined. Now, however, as the Minister noted in her response to Advisory Memorandum 81-VII, the "roles of COU and Council in the area of graduate program planning have now been clearly defined". As well, Council's Academic Advisory Committee is in a position to advise Council on whether each new program meets Council's funding criteria and on whether the program is consistent with the aims, objectives and existing strengths of the institution concerned.[1]

Council has considered the advice of its Academic Advisory Committee with respect to the following programs proposed for funding consideration:

1. Teaching MA(T)/MSc(T) : McMaster University
2. Veterinary Science (DVSc): University of Guelph
3. Speech Pathology (MHSc): University of Toronto

Teaching MA(T)/MSc(T), McMaster University
McMaster University has the requisite existing strengths at the graduate level in various Arts and Science departments necessary to support an MA(T)/MSc(T) program, but it does not have comparable strengths in Education. Consequently, Council, especially in a time of economic constraint, cannot justify recommending the program for formula funding support. Accordingly, Council *recommends to the Minister:*

> *OCUA 82-1*
> *FUNDING FOR THE MASTER'S PROGRAM IN TEACHING AT McMASTER UNIVERSITY FOR 1982-83*
>
> *THAT* the MA(T)/MSc(T) program in Teaching at McMaster University be deemed ineligible for formula support.

Veterinary Science (DVSc), University of Guelph
The doctoral program in Veterinary Science at the University of Guelph fills demonstrable academic and job market needs and is consistent with the aims, objectives and existing strengths of the University. Council has carefully considered the financial

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[1] See the attached three appendices.

implications involved in funding this program and feels confident that even in a time of economic constraint, it should become eligible for formula funding. Accordingly, Council *recommends to the Minister :*

> *OCUA 82-2*
> *FUNDING FOR THE DOCTORAL PROGRAM IN VETERINARY SCIENCE AT THE UNIVERSITY OF GUELPH FOR 1982-83*
>
> *THAT* the DVSc program in Veterinary Science at the University of Guelph be deemed eligible for formula support beginning in 1982-83, and that eligible enrolment, from 1981-82 on, be included in the moving average for the university.

Speech Pathology (MSHc), University of Toronto

The University of Toronto's master's program in Speech Pathology fills demonstrable academic and job market needs. It is also consistent with the aims, objectives and existing strengths of the institution.

The University of Toronto's program in Speech Pathology was one of the six new graduate programs proposed for funding consideration in 1980. In Advisory Memorandum 80-V, Council concluded that:

> The wisest course of action at the present time is not to recommend any of the proposed programs for funding in 1981-82, but to open the possibility that, if current uncertainties are resolved within the next twelve months, a future recommendation might include some measure of retroactivity.

Council went on to state that: "Specifically, Council would view it appropriate that, for any such program, all eligible enrolment from 1980-81 on be included in the appropriate moving average of the particular institution involved." Council also recommended formally that the Speech Pathology program at the University of Toronto "continue to receive formula funding support at the graduate diploma weight in 1981-82."

Consistent with the above positions, and in view of the fact that "uncertainties" have been resolved, Council now concludes, with reference to the master's program in Speech Pathology, that all eligible enrolment at the master's program weight of 4, from 1980-81 on, should be included in the moving average of the University of Toronto for formula funding support in 1982-83. Council has carefully considered the financial implications involved in funding this program and feels confident that even in a time of economic constraint, it should become eligible for formula funding. Accordingly, Council *recommends to the Minister:*

> *OCUA 82-3*
> *FUNDING FOR THE MASTER'S PROGRAM IN SPEECH PATHOLOGY AT THE UNIVERSITY OF TORONTO FOR 1982-83*
>
> *THAT* the MHSc program in Speech Pathology at the University of Toronto be deemed eligible for formula support beginning in 1982-83, and that eligible enrolment from 1980-81 on be included in the moving average for the university, with the appropriate adjustment in weighting being made (from 1980-81 on)--from the diploma to the master's level.

B. C. Matthews
Chairman
April 1, 1982

Appendix A

OCUA ACADEMIC ADVISORY COMMITTEE

Master of Arts in Teaching, MA(T) and Master of Science in Teaching, MSc(T), McMaster University - New Graduate Program Considered for Formula Funding

The 1980 Annual Report to the Ontario Council on University Affairs (OCUA) from the Council of Ontario Universities' (COU) Ontario Council on Graduate Studies (OCGS) advised that McMaster's MA(T)/MSc(T) program had satisfied all four of Council's funding criteria for new graduate programs. In a covering letter with the report, COU gave its "assurance that the program should be funded despite restraint", but declined to state whether the program was "consistent with the aims, objectives and existing strengths of the particular institution" (Advisory Memorandum 79-VII). Consequently, in Advisory Memorandum 80-V, Council recommended that the program "not be approved for formula funding support in 1981-82." Council, at the same time, did leave open the possibility of considering the program again at some future date.

In December 1981, Council referred the MA(T)/MSc(T) program and six other new programs to Council's new Academic Advisory Committee, which met on January 20th and February 3rd, 1982, and, as mandated by its "Terms of Reference" (October 20th, 1981), considered the MA(T)/MSc(T) program in light of Council's funding criteria for new graduate programs (Advisory Memorandum 77-VII). It also considered the question of whether the program was consistent with the "aims, objectives and existing strengths" of McMaster University. The Committee reviewed a considerable amount of documentation, including:

- OCUA Advisory Memorandum 80-V
- OCGS Annual Report to OCUA, 1980
- Calendar descriptions of the McMaster University MA(T)/MSc(T) program and similar programs at the University of Western Ontario and the University of Toronto
- OCGS's Advisory Committee on Academic Planning's (ACAP) 1973 Discipline Assessment of Education
- McMaster University's original program proposal, dated March 3rd, 1975, and the University's two-year Report on the program, May 1979.

The Committee carefully applied each of Council's funding criteria to the new program. The Committee's findings in relation to the criteria and the question of institutional appropriateness are summarized below:

1. NEED

The Committee is satisfied that there is a need for such a program. Elementary and secondary school teachers in Ontario and throughout Canada should have a means of upgrading their subject teaching skills and their academic qualifications. They should be able to do this through programs offered on an accessible, regional basis. The Hamilton region certainly has a large school system, which utilizes a sizable number of full-time and part-time teachers. By May 1979, McMaster University had received 520 enquiries about the program, and its 1981-82 enrolment (39 part-time students) compares favourably with the current-year enrolments of both the University of Western Ontario (IFT, 6PT) and the University of Toronto (IFT, 44PT). Given the size of the local Hamilton catchment pool, the McMaster University program could be said to have a better per capita enrolment than either of the other two programs.

2. UNIQUENESS

In view of its findings, as outlined above, the Committee is satisfied that, while similar programs exist at both the University of Western Ontario and the University of Toronto, there is strong evidence of regional importance and student demand with regard to this program.

3. APPRAISAL

The Committee is also satisfied that the program has passed a rigorous academic appraisal. While the program did not appear to require improvements at the time of its appraisal, we note that COU did request McMaster University to provide a two-year progress report.

4. ENROLMENT

Students first enrolled in the program in 1977-78 and so, as required, admission commenced prior to its being proposed (in 1980) for funding consideration.

5. AIMS, OBJECTIVES, STRENGTHS

The Committee believes that, considering McMaster University's continuing commitment to the program, and the fact that it is now part of the university's long-range plans, the program is consistent with the aims and objectives of the University. The Committee recognizes that McMaster University has strength in a wide variety of Arts and Science disciplines, at both the undergraduate and graduate levels, but lacks strength in the Education area. Unlike the University of Toronto and the University of Western Ontario, McMaster University does not have an undergraduate Faculty of Education. In order to compensate for the lack of a formal Education program, co-operative arrangements have been made between McMaster and other institutions with regard to library resources, but such arrangements for staff have not been made. This is a crucial deficiency. While many of the professors associated with the program at McMaster University are engaged in research and professional activities in Education and have publications in the area, there is no evidence of a close, formal connection with institutions and staff engaged in the education of teachers or the delivery of education services. The Committee believes, therefore, that McMaster University lacks sufficient, formal strength in the discipline of Education.

6. FUNDING

The Committee therefore recommends to Council that:

> the MA(T)/MSc(T) program at McMaster University, having not fully met Council's funding criteria and other requirements, should be recommended to the Minister as being ineligible for formula funding support.

Academic Advisory Committee
March 3, 1982

Appendix B

OCUA ACADEMIC ADVISORY COMMITTEE

Doctorate in Veterinary Science, DVSc, University of Guelph - New Graduate Program Considered for Formula Funding

The 1981 Annual Report to the Ontario Council on University Affairs from the Council of Ontario Universities' (COU) Ontario Council on Graduate Studies (OCGS) advised that Guelph's DVSc program had satisfied all of Council's four funding criteria for new graduate programs. However, in a letter dated January 8th, 1982, COU stated that it chose to decline comment on Council's requirement (Advisory Memorandum 79-VII) that assurance be provided that a new graduate program "should be funded despite constraint" and that the program was "'consistent with the aims, objectives and existing strengths of the particular institution" offering the program. Subsequently, Council referred the DVSc program to Council's Academic Advisory Committee.

The Academic Advisory Committee met on January 20th and February 3rd, 1982, and, as mandated by its "Terms of Reference" (October 20th, 1981), considered Guelph's DVSc program in light of Council's funding criteria for new graduate programs (Advisory Memorandum 77-VII).

The Committee reviewed various documents relating to the program, including:

- the Ontario Council on Graduate Studies' (OCGS) Annual Report to OCUA, 1981
- OCUA Advisory Memorandum 80-V
- OCUA Advisory Memorandum 81-VII
- Calendar descriptions of the program

The Committee carefully applied each of Council's four funding criteria to the new DVSc program. The Committee's findings in relation to the criteria and the question of institutional appropriateness are summarized below:

1. NEED
The Committee is satisfied that there is a need for this program within both Ontario and Canada. There are concrete employment prospects for graduates of this program. There are at least eleven different job settings which have been identified, including veterinary colleges, various federal and provincial governmental departments and agencies and private industry. Considerable interest has been shown in the program, as evidenced by the large number of enquiries which have been made.

2. UNIQUENESS
The Committee is satisfied that no similar program in the field is available in Ontario, or for that matter in Canada. As it involves a combination of the acquisition of applied skills, an in-service training component and investigatory applied research, the program is significantly different from the current research-oriented PhD programs offered at the University of Guelph by the Ontario Veterinary College. The University of Guelph is the only university in Ontario with a veterinary college and, therefore, the only one capable of mounting such a program.

3. APPRAISAL
The Committee is satisfied that the program has passed a rigorous appraisal and that no improvements are required.

4. ENROLMENT
Four full-time students enrolled in the program's initial academic year of operation, 1980-81. Council's enrolment criterion has, therefore, been satisfied.

5. AIMS, OBJECTIVES, STRENGTHS
As this program is interdepartmental, and builds on the strengths of the four existing departments in the Ontario Veterinary College, and as veterinary studies have a long tradition at the University of Guelph, the Committee is satisfied that the new DVSc program is consistent with the aims, objectives and existing strengths of the University.

6. FUNDING
The Committee, therefore, recommends to Council that:

> the DVSc program at the University of Guelph, having satisfied all of Council's funding criteria and other requirements, including the question of institutional appropriateness, be recommended to the Minister as being eligible for formula funding support.

Academic Advisory Committee
March 3, 1982.

Appendix C

OCUA ACADEMIC ADVISORY COMMITTEE

Master of Health Science (MHSc) Speech Pathology, University of Toronto - New Graduate Program Considered for Formula Funding

The 1980 Annual Report to the Ontario Council on University Affairs (OCUA) from the Council of Ontario Universities' (COU) Ontario Council on Graduate Studies (OCGS) advised that the University of Toronto's MHSc program in Speech Pathology had satisfied Council's four funding criteria for new graduate programs. Subsequently, however, Council recommended against formula funding for the program for 1981-82, as COU declined to address adequately the questions of institutional appropriateness and the funding of a new graduate program in a time of general economic constraint. However, to resolve the outstanding issues involved, Council recently referred the MHSc Speech Pathology program to its Academic Advisory Committee.

The Academic Advisory Committee met on February 3rd and 24th, 1982 and, as mandated by its "Terms of Reference" (October 20th, 1981), considered the University of Toronto's MHSc Speech Pathology program in light of Council's funding criteria for new graduate programs (Advisory Memorandum 77-VII). It also considered the question of institutional appropriateness.

The Committee reviewed various documents relating to the program, including:

- calendar descriptions and enrolment statistics from the University of Toronto and the University of Western Ontario
- the OCGS Annual Report to OCUA, 1980
- OCUA Advisory Memorandum 80-V
- OCUA Advisory Memorandum 81-VII,

and carefully applied each of Council's four funding criteria. The Committee's findings in relation to the latter and the question of institutional appropriateness are summarized below:

1. NEED
The Committee is satisfied that there is both a provincial and a national need for this program. There has been a persistent shortage of qualified speech pathologists in recent years. At the same time, the student demand for places in Speech Pathology programs increased dramatically during the 1970's. The ratio of applicants to registrants for the Toronto program has held steady at about 5:1. The first employment record for the graduates of the program indicates that virtually all found suitable employment within Ontario or other parts of Canada.

2. UNIQUENESS
The Committee is satisfied that "exceptional circumstances" exist in the case of the University of Toronto program and Council's second funding criterion concerning uniqueness has, therefore, been met. While the Speech Pathology program at the University of Western Ontario is similar to the one being offered at the University of Toronto, there is strong evidence of student demand (as already mentioned) and regional importance. Many hospitals within the Metropolitan Toronto area are involved in the study and treatment of communication disorders, particularly the Hospital for Sick Children and Mount Sinai Hospital. Students and staff of the former University of Toronto diploma program in Speech Pathology have always had a close association with the eight teaching hospitals associated with the University. Students in the

master's program continue to have such an association. The Committee takes special note of the fact that the program, though having undergone changes during conversion to a master's program, was offered continuously on a diploma basis from 1958-1979, and also that in 1972 the Ontario Council of Health recommended that speech pathologists should have a master's degree.

3. APPRAISALS

The Committee is satisfied that the program has passed a rigorous appraisal and that no improvements are required.

4. ENROLMENT

Forty full-time students are enrolled in the program this year, and Council's enrolment criterion has, therefore, been satisfied.

5. AIMS, OBJECTIVES, STRENGTHS

The staff and students of the Speech Pathology program can take advantage not only of the long-standing association with Metropolitan Toronto's hospitals, but also of the University's strong and comprehensive array of Health Science disciplines. Graduate faculty from Anatomy, Physiology, Medical Science, Dentistry and Linguistics are cross-appointed to the Speech Pathology program. The Committee is satisfied that the program is consistent with the aims, objectives and existing strengths of the University of Toronto.

6. FUNDING

The Committee therefore recommends to Council that:

> the MHSc program in Speech Pathology at the University of Toronto, having satisfied Council's funding criteria and other requirements, be recommended to the Minister as being eligible for formula funding support.

Academic Advisory Committee
March 3, 1982

82-II Minimum Admission Standards for the Funding Support of Students Registered in the First Year of Undergraduate Degree Programs

On February 26, 1982, the Executive Director of the Council of Ontario Universities (COU) wrote to the Chairman of Council to advise that COU had, at its January, 1982 meeting, approved the following motion:

> that (COU) recommend to OCUA withdrawal of funding in the first year for Ontario secondary school students admitted to Ontario universities with less than the minimum admission standards, as approved by COU in March 1980.

The minimum standard adopted by COU was a 60% average on a student's best six Grade XIII credits.

Council has considered the COU recommendation and deems it appropriate that the *Operating Formula Manual* be amended to specify a minimum admission standard which would be required before students registered in the first year of undergraduate degree programs could be considered eligible for funding support. Specifically, it is suggested that Section III. 3.4. of the Manual be amended to read, in part, along the following lines:

> Students registered in First Year of undergraduate degree programs, who on the applicable count date, have *not* successfully completed the requirements for the Ontario Secondary School Honour Graduation Diploma with a 60% average on the best six final OSSHGD credits, or the equivalent from other educational jurisdictions except . . .

Council recognizes that more appropriate wording, or changes to other relevant sections of the Manual, may be required.

Accordingly, Council *recommends to the Minister:*

> *OCUA 82-4*
> *MINIMUM ADMISSION STANDARDS FOR THE FUNDING SUPPORT OF STUDENTS REGISTERED IN THE FIRST YEAR OF UNDERGRADUATE DEGREE PROGRAMS.*
>
> *THAT* the Operating Formula Manual be amended to incorporate minimum admission standards for the funding eligibility of students registered in the first year of undergraduate degree programs in accordance with the considerations noted in this memorandum.

B.C. Matthews
Chairman
April 15, 1982

82-III Government Support of the University System in 1983-84

The increases in Government funding for the Ontario university system in 1983-84 recommended in this Memorandum are estimated to allow the institutions to maintain the level of services provided in 1982-83 at the increased enrolment projected for 1983-84. Council's recommendations do not include the amount (or any portion of the amount) that would be required to recoup the shortfall in funding accumulated during recent years and are based, with reluctance, solely on the present (1982-83) levels of funding and service. Council strongly urges that there be no further erosion of level of service in 1983-84 and that the funding increase in 1983-84 should be as recommended herein to ensure that this is the case.

Inadequate levels of funding in the years since 1977-78 (the last year for which Council's funding advice was accepted) to the present, have forced the institutions to:

a) Increase the student/faculty ratio. In the interest of accessibility, the institutions have met the demands of increasing numbers of qualified students. Total FTE enrolment in the system has increased since 1977-78 and in 1981-82 was 5.2% larger than in 1977-78. A further increase of 4.5% is projected for 1982-83. During the same period, the institutions have not increased the overall number of faculty; the number of non-academic staff has actually been decreased.

b) Make cumulative reductions in expenditures on essential non-salary items such as teaching equipment replacement, library and laboratory resources and general operation and maintenance.

It is Council's opinion that the deleterious effects of these trends must not be allowed to continue. Therefore, Council's funding recommendations for 1983-84 are intended to enable the universities to halt both of these trends. Council is certain that anything less will be insufficient to maintain the currently reduced levels of achievement of the goals set out for the Ontario university system. These goals were outlined by Council in *The Ontario University System: A Statement of Issues* and have been endorsed by Government. They are as follows:

1. To develop a more educated populace;
2. To educate and train people for the professions;
3. To provide for study at the highest intellectual level;
4. To conduct basic and applied research including development and evaluation; and
5. To provide service to the community.

While the institutions have made great efforts to maintain the level of achievement of the goals in the face of inadequate funding, Council believes that continued inadequate funding must be followed by a deliberate reduction in the level of achievement of the goals. For example, reduction in enrolment, at the sacrifice of accessibility, may be a necessary and wise course of action if funding continues to be inadequate.

Council was impressed at its Spring hearings by the frustration expressed by representatives of the institutions in their struggle to meet the established goals in the face of inadequate funding. Council itself shares that frustration, especially in view of Government's failure to meet Council's recommended funding increases in any of the last five years.

I. The Extent of Underfunding in 1982-83

In *A Financial Analysis of the Ontario University System - 1981*, it was noted that since

1977-78, the last year for which Council's funding advice was accepted, annual increases in operating grants by Government to the Ontario university system averaged 2.6% below the annual increases in Government budgetary expenditures (excluding debt servicing) for the same period. For 1982-83, it has been announced that, in a year where total Government expenditures are projected to increase by 10.8%, university funding will increase by 12.2%.

The Ontario Budget tabled on May 13, 1982, however, announced the extension of the 7% retail sales tax to include many items not previously taxed and an increase in Ontario Hospital Insurance Plan (OHIP) premiums. The estimated additional operating cost to the university system resulting from these actions is $7.4 million for 1982-83. Thus the effective increase in funding to the university system is 11.5%, instead of 12.2%. Once again, this falls considerably short of the 14.4% increase recommended by Council. In fact, inflationary and enrolment trends have turned out to be such that the universities would have been underfunded even if Council's recommendation had been accepted by Government. A recalculation, using current estimates of inflation and enrolment change, indicates that Council's funding advice would have been about $8 million short of the university system's basic requirements.[1]

Council does not use interprovincial comparisons as a basis for its funding advice. However, it does note that during the six-year period 1974-75 to 1979-80, for which comparable data are available, Ontario dropped from seventh to ninth place among the provinces in terms of the level of provincial grants per full-time equivalent (FTE) student. Council has calculated that if Ontario universities had been funded at a level of operating grants per FTE student equal to the weighted average level of the other nine provinces, Government would have provided $197 million more than it did in 1979-80. One could argue on the basis of these comparisons that the Ontario university system is the most cost-efficient. More realistically, however, Council believes that the significantly lower funding levels per student in Ontario raise serious concerns about the comparative quality of Ontario universities.

II. Grants for Equipment and Library Acquisitions

In addition to its recommendations on the required increase in operating grants for 1982-83, Council also recommended, in Advisory Memorandum 81-II, that $10 million be provided for equipment replacement and library acquisitions. No direct response to this recommendation was made. However, Council is pleased that the Government made $10 million available in March of 1982 to the university system (excluding OCA and Ryerson) through the Board of Industrial Leadership and Development (BILD). These funds are to be applied by the universities "to cover engineering and science equipment plus new or expanding research employment contracts".[2] Council welcomes these additional funds for the universities.

III. Calculation of Funding Requirements for 1983-84

Having outlined some of the pertinent facts about recent funding levels and their implications for the system, Council now proceeds to calculate the requirements for 1983-84.

a) Basic Funding Objectives for 1983-84

In view of the underfunding of recent years, Council continues to believe (and even more urgently insists) that the basic funding objectives used in the past should be met in 1983-84. These objectives are: (1) to offset inflationary trends, (2) to maintain levels of service commensurate with changes in enrolment, and (3) to adjust for predicted enrolment change.

b)Cost of Basic Funding Objectives for 1983-84

The method of calculating the funding required for 1983-84 and the factors used in the calculations are given below. The results are documented in Table I. The methodology is similar to that used in previous years.

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[1] In accordance with the Minister's acceptance of OCUA 79-12, revenue received from additional optional fees is not taken into consideration in this memorandum.

[2] Board of Industrial Leadership and Development, *BILD – This is what was done in the first year*, p. 6.

Table I

The Cost of Basic Funding Objectives for 1983-84
($ million)

	1	2	3	4	5	6	7
	1982-83 Base	Inflationary Trend Costs	Service Level Costs	Efficiency/ Rationalization Factor	Predicted Enrolment Change	Stabilization Factor	Cost of Basic Objectives for 1983-84
Expenditures							
Salaries and Fringe Benefits	1,066.5	101.3	19.9	-5.9	35.5	-17.8	1,199.5
Non-Salary	255.0	31.6	0.0	-1.4	8.6	-4.3	289.5
Total	1.321.5	132.9	19.9	-7.3	44.1	-22.1	1,489.0

Notes:

1. Percentage change factors are as follows: Column 2: + 9.5%, 12.4%, Column 3: + 1.7%, 0.0%, Column 4:- 0.5%, Column 5: + 3.0%, Column 6: -50.0% of Column 5

2. These factors, except for column 6, are applied to the cumulative total of the previous columns.

(i) The 1982-1983 Base (Column 1)

The 1983-84 financial requirements for the Ontario university system are built upon the estimated 1982-83 expenditures. For this purpose, the expenditures in 1982-83 are assumed to equal the estimated revenues in 1982-83. Thus the 1982-83 base has not been increased to include the 1982-83 funding shortfall of $28.7 million identified in Appendix A.

On this basis, Council estimates that the 1982-83 base of operating revenue and expenditures of all institutions (the fifteen provincially-assisted universities, the affiliated colleges, Ryerson Polytechnical Institute, the Ontario Institute for Studies in Education, the Ontario College of Art and Dominican College) will be $1,321.5 million.

The 1982-83 base expenditures are apportioned as follows: 80.7% for salaries and benefits and 19.3% for non-salary items. This is the average proportion that exists in the universities' budgets.

(ii)Increases in Costs due to Inflation (Column 2)

Forecasts by several competent authorities of the increase in the Consumer Price Index (CPI) for 1983-84 have been reviewed. These projections range from 8.0% to 12.0%. Council has chosen 9.5% as the inflation factor to be applied to the salaries and benefits portion of the base.[3]

Increases in the prices of non-salary items purchased by universities have exceeded the CPI for several years. The annual increase in the Ontario University Non-salary Price Index (OUNSPI)[4] averaged 30.5% higher than the annual increase in the CPI during the seven-year period, 1974-75 to 1980-81. Thus, using the projected CPI of 9.5% for 1983-84, Council has estimated that the increase in costs of non-salary items in 1983-84 will be 30.5% higher than the CPI (i.e., 12.4%). This inflation factor has been used to calculate the increase required for non-salary items.

(iii) Increase in Costs of Maintaining Existing Service Levels (Column 3)

There is a cost of maintaining existing service levels in addition to the costs calculated in (ii) above. The major component of this additional cost is the net cost of providing for progress-through-the-ranks (PTR) for faculty and non-academic staff. This net cost arises from the fact that, because of the uneven age distribution, the number of people retiring (on higher salaries) and being replaced by younger people (on lower salaries) is not sufficient to provide the total funds required for the normal progress of continuing faculty and staff.

The faculty manpower flow model developed by the Council of Ontario Universities predicts that, for the existing age distribution of faculty, the net cost of providing for PTR in 1983-84 will be 1.7% of salaries and benefits.

At the request of Council, COU has undertaken a preliminary review of the net costs of providing for career progress for non-academic staff. Using data from selected institutions for one year (1980-81), the net cost for career progress for that year was l.9% of non-academic staff salaries and benefits. In that same year, the net cost for PTR for faculty was estimated at 2.1%. Assuming a similar relationship in 1983-84 one might estimate the cost of career progress for staff to be 0.2% less than for faculty (i.e., 1.5%). It is Council's opinion, however, that the data on costs of career progress for non-academic staff are not sufficiently reliable. Hence it has chosen to use the same figure (1.7%) for staff as for faculty to calculate the net costs of career progress in 1983-84. At the same time, Council is urging the Council of Ontario Universities to study this matter further in an effort to obtain a more reliable estimate of the net costs of providing for career progress for non-academic staff.

To estimate the net costs in 1983-84 of providing for career progress of faculty and staff, a factor of 1.7% has been applied to the total of all salaries and fringe benefits expenditures.

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[3] This increase for salaries and benefits is estimated to be the amount required to maintain base salaries at 1982-83 levels. The increase contains no "catch-up" component. Council is aware, however, of the possible impact of the 1982 University of Toronto faculty salary arbitration award which did.

[4] The Ontario University Non-salary Price Index is calculated annually by the Council of Ontario Universities.

(iv) Cost Reductions due to Efficiency/Rationalization (Column 4)

In the belief that institutions can reduce expenditures to some extent but still retain levels of service by improving efficiency and rationalization of programs, Council has, for several years, reduced its total funding estimate by a factor of 0.5% to 1.5%. In recent years, the Council of Ontario Universities has expressed the view that, as a result of prolonged underfunding, all of the cost reductions that can be achieved by increasing efficiency/rationalization have been realized. Council believes, however, that the system must continue to search for ways to increase efficiency. Therefore Council is continuing to use an efficiency factor of -0.5% (as in the past two years) in calculating the funding requirement for 1983-84.

This efficiency/rationalization may appear to be small in magnitude. However, the recent retail sales tax and OHIP premium changes introduced in this Spring's Ontario Government budget will have the effect of increasing Cóuncil's -0.5% efficiency/rationalization factor to -1.2%.

(v) Projected Increase in Enrolment (Column 5)

In 1981-82, total university enrolment increased by about 5% and is estimated by the Council of Ontario Universities' Committee on Enrolment Statistics and Projections to increase in 1982-83 by a further 4% to 5%. Council has considered this forecast together with: (1) the most recent data on the number of applications and applicants for first year admission in the Fall of 1982, (2) trends in the size of the cohort (18-24 years of age) from which universities will draw the majority of students, (3) recent trends in participation rates, (4) recent data on retention rates and the consequent potential enrolment increases in upper years in 1983-84, and (5) recent projections of the number of Secondary School Honours graduates in 1983.

On the basis of these data, Council estimates that enrolment in the university system in Ontario will increase by 3.0% in 1983-84 over 1982-83.

(vi) Funding Stabilization Factor (Column 6)

For a number of years, in order to dampen the effect of enrolment change in any year on funding change, Council has discounted the projected growth or decline in enrolment by 50%. This discounting factor is applied to the projected enrolment increase in 1983-84.

(vii) Total Cost of Basic Funding Objectives (Column 7)

By adding the figures in columns 1 to 6 inclusive, Council estimates that the total cost of the basic funding objectives in 1983-84 will be $1,489.0 million, a 12.7% increase over the 1982-83 estimated expenditure base.

IV. Estimated Government Grants Required to meet the Basic Funding Objectives

Council estimates that the other income accruing to the university system in 1983-84, in addition to Government grants, will be:

(1) from other sources, $56.6 million, the same as the amount projected for 1982-83.

(2) from fees other than tuition fees, $14.3 million, the same as the amount projected for 1982-83 adjusted for the projected 3.0% increase in enrolment in 1983-84.

(3) from formula tuition fees, $228.5 million, at 1982-83 rates including an adjustment for the predicted 3.0% increase in enrolment in 1983-84. In accordance with Council's advice in Memorandum 79-IV that formula fee rates be increased each year by the same percentage as the increase in operating grants, formula fee rates should be increased by 12.8% in 1983-84 yielding an additional $29.2 million for a total of $257.7 million in formula fee revenue in 1983-84.

Table II

Cost to Government of Meeting Council's Basic
Cost to Government of Meeting Council's Basic Funding Objectives for 1983-84: Provincially-Assisted Universities, Affiliated Colleges, Ryerson, OISE, OCA and Dominican College
($ million)

1.	Cost of Basic Funding Objectives	1,489.0	
2.	Other Revenue	(56.6)	
3.	Other Fee Revenue	(14.3)	
4.	Total Formula Fees and Government Operating Grants required to meet Council's Basic Funding Objectives	1,418.1	
5.	Formula Fee Revenue at 1982-83 rates and the predicted 1983-84 level of enrolment	228.5	
6.	1982-83 Operating Grants	1,029.2	
7.	1982-83 Operating Grants and enrolment-adjusted Formula Fee Revenue (line 5 + line 6)	1,257.7	
8.	Percentage increase in Operating Grants and Formula Fee Revenue $\frac{\text{(line 4 - line 7} \times \text{100)}}{\text{line 7}}$		12.8%
9.	Additional Formula Fee Revenue generated by a 12.8% increase in formula fee rates	29.2	
10.	Total Formula Fee Revenue (line 5 + line 9)	257.7	
11.	Cost to Government of Basic Funding Objectives (line 6 increased by 12.8%)	1,160.4	

As a result, Council estimates that of the total $1,489.0 million required, $1,160.4 million must be made available as government operating grants to meet the costs of Council's basic funding objectives.

In his budget statement of May 13, 1982, The Honourable Frank Miller, Treasurer of Ontario, said "I now serve notice to all recipients of Provincial Funds that they should not count on future funding at or above inflation rates".[5] In preparing its recommendations for funding, Council has in the past always been cognizant of the economic constraints facing Government. Hence in its calculation of funding requirements Council has for many years reduced the estimated requirement by a factor for efficiency/rationalization, thus requiring "everyone to demand a little less of the system and to put a little more back into it".[6]

The total amount of $1,160.4 million is a 12.8% increase over the total amount provided for 1982-83. But this includes the amount required because of increased enrolment. The present 1982-83 Basic Income Unit (BIU) values are $3,669 (undergraduate) and $3,576 (graduate).[7] The increase in basic funding recom-

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5. *1982 Ontario Budget*, Budget Statement, p. 17.
6. *Ibid.*, Budget Statement, p. 17.
7. Ministry of Colleges and Universities, *Universities Audit Reports: Financial Reports*, May 14, 1982, p. 9.

mended for 1983-84, with the projected increase in enrolment, would result in BIU values of $4,062 (undergraduate) and $3,959 (graduate), an increase of 10.7% in funding per BIU - well within the range of forecasts of inflation in 1983-84. Thus Council's funding recommendation for 1983-84 is very much in keeping with the restraint announced by the Treasurer of Ontario in the budget statement of May 13, 1982.

Accordingly, Council *recommends to the Minister and Lieutenant-Governor in Council:*

> *OCUA 82-5*
> *GOVERNMENT OPERATING GRANTS FOR 1983-84 TO MEET THE COSTS OF COUNCIL'S BASIC OBJECTIVES IN FUNDING THE OPERATION OF PROVINCIALLY-ASSISTED UNIVERSITIES AND THEIR AFFILIATED COLLEGES, RYERSON POLYTECHNICAL INSTITUTE, THE ONTARIO INSTITUTE FOR STUDIES IN EDUCATION, THE ONTARIO COLLEGE OF ART AND DOMINICAN COLLEGE*
>
> *THAT* $1,160.4 million in operating grants be made available in 1983-84 to the provincially-assisted universities and their affiliated colleges, Ryerson Polytechnical Institute, the Ontario Institute for Studies in Education, the Ontario College of Art and Dominican College.
>
> *OCUA 82-6*
> *FORMULA FEE RATES FOR 1983-84 TO MEET THE COSTS OF COUNCIL'S BASIC OBJECTIVES*
>
> *THAT* formula fee rates for 1983-84 be increased by the same percentage as operating grants, namely 12.8%, to provide $257.7 million in formula fee revenue to the provincially-assisted universities and their affiliated colleges, Ryerson Polytechnical Institute, the Ontario Institute for Studies in Education, the Ontario College of Art and Dominican College, and that this increase in formula fee rates be fully reflected in the Ontario Student Assistance Program.

V. Estimated Costs of Bar Admissions Course and Bilingualism

The increase in the grant-in-aid for the Bar Admission Course of the Law Society of Upper Canada for 1983-84 is not included in the calculations above.

In 1976-77, Council determined that the increased costs of bilingualism in certain institutions was $2.0 million and recommended that that amount be provided. Government actually provided $1.5 million, which, adjusted for the amount of the actual increases in government total operating grant, is included in the 1982-83 funding base used in the calculation of the total basic funding required for 1983-84.

Council remains convinced of the need for the remaining portion ($0.5 million adjusted by the percentage increase in actual grants since 1980-81) of the $2.0 million originally requested to support bilingualism.

Therefore, Council recommends that $1.5 million be made available in 1983-84 to increase the grant-in-aid for the Bar Admission Course and to provide the remaining $0.5 million (adjusted as noted above) required for bilingualism activities.

Accordingly, Council *recommends to the Minister and Lieutenant-Governor in Council:*

> *OCUA 82-7*
> *FUNDING FOR 1983-84 FOR EXISTING BILINGUALISM PROGRAMS AND FOR THE BAR ADMISSION COURSE*
>
> *THAT* $1.5 million be provided in 1983-84 for the remaining portion of the documented incremental costs of existing bilingualism programs, and for a grant-in-aid for the Bar Admission Course.

IV. Equipment and Library Needs

As indicated previously, Council is encouraged by the efforts of the Board of Industrial Leadership and Development to provide additional funding to purchase modern research equipment for engineering and science in Ontario universities in 1982-83. While recognizing the need for additional funding for research equipment for engineering and science, Council also notes that there are other research and teaching needs and library resource needs that are not met under the BILD program.

Accordingly, Council *recommends to the Minister and Lieutenant-Governor in Council:*

> *OCUA 82-8*
> *EQUIPMENT AND LIBRARY FUNDING FOR 1983-84*
>
> *THAT,* in addition to the amounts recommended in 82-5, 82-6 and 82-7, $12.0 million be provided in 1983-84 in recognition of the special need for equipment and library acquisitions.

VII. Capital Assistance

In *A Financial Analysis of the Ontario University System - 1981,* Council pointed out that during the period in which Council has provided capital funding recommendations (1976-77 to 1981-82), Government support has fallen $68.7 million short of Council's total recommendations for new major repairs, renovations and replacement projects. In Advisory Memorandum 81-II, Council recommended that $23.1 million be provided in 1982-83 for new major repairs, renovations and replacement projects. Only $4 million was made available for these purposes. Subsequently, in the budget of May, 1982 a further $5 million was made available to the universities for repairs as part of the 1982 short-term job creation program.

In the course of its Spring 1982 hearings, Council heard many concerns expressed about the safety of many of the older buildings in the Ontario university system. It appears that virtually all funds being provided for major repairs, renovations and replacement projects are going towards safety-related projects and unless a project is aimed at correcting a serious fire, health or safety hazard it goes unfunded. Indeed, Council has found that not all safety-related projects have been funded. Given this situation, Council, therefore, reaffirms its conviction that capital underfunding of this magnitude will necessitate unduly large outlays of capital assistance in the future, which over the long term will be more costly than the annual provision of a reasonable level of funds for major repairs, renovations and replacement.

Council continues to use a level of 1% of the value of the space inventory in the university system as the minimum necessary annually for major repairs, renovations and replacement projects. The value of this space inventory has been adjusted by an appropriate inflation factor. Thus, last year's recommendation for capital assistance has been increased by 9.5%, the most recent change in the Non-Residential Building Construction Price Index (1980 to 1981).

Accordingly, Council *recommends to the Minister and Lieutenant-Governor in Council:*

> *OCUA 82-9*
> *LEVEL OF SUPPORT FOR MAJOR REPAIRS, RENOVATIONS AND REPLACEMENT PROJECTS IN 1983-84*
>
> *THAT* funds for capital assistance in 1983-84 be $25.3 million for major repairs, renovations and replacement projects, plus any amount required for carry-overs and essential new construction.

VIII. Conclusion

While the funding increase for 1982-83 is an improvement, relative to actual cost increases, over the funding increases provided in the previous four years, it falls short of that recommended by Council as being required to meet the basic funding objectives. The shortfall between university system revenues and needs continues to accumulate. Hence, Council is becoming increasingly concerned about the continuing quality of the Ontario university programs and about the ability of the Ontario university system to meet adequately the goals enunciated by Council in *The Ontario University System: A Statement of Issues*. It is Council's conviction that the funds recommended in this memorandum are the minimum required to ensure that quality does not decline further and that the goals of the Ontario university system are met in 1983-84 to the same extent that they are being met in 1982-83. If these recommendations cannot be accepted, it may be necessary to adjust immediately the extent to which the goals for the system, as endorsed by Government, can continue to be achieved with the level of funds available.

B. C. Matthews
Chairman
June 11, 1982

Appendix A

REVISED CALCULATION OF SHORTFALL IN FUNDING FOR 1982-83

The estimate of the basic funding requirements for 1982-83 contained in Advisory Memorandum 81-IX have been revised to reflect up-dated estimates of CPI and of the enrolment increase for 1982. Specifically, the inflation factor for salaries and fringe benefits has been changed from 11.0% to 11.4%, and for non-salary items from 14.5% to 15.1%. Enrolment increase projections have been changed from 2.0% to 4.5%. As a result, the revised estimate of the cost of basic funding objectives in 1982-83 is $1,355 million.

The estimate of total funds available to the Ontario University system has also been revised to reflect up-dated information on government grants and fees. Taking into account the formula fee rate increase of 12.2%, Council now estimates that total fee income (tuition and other fees) will be $235.8 million in 1982-83. Government operating grants will total $1,029.2 million (not including the $0.6 million for the grant-in-aid to the Bar Admission Course). Other revenue is estimated to be $61.3 million in 1982-83. Thus the total estimated revenue available to the system is $1,326.3 million.

The revised estimate of the shortfall in revenue compared to the expenditures required to meet the basic funding objectives, is $28.7 million ($1,355.0 - $1,326.3 million). This compares with a figure of $20.953 million for the shortfall where the original inflation and enrolment estimates are used (see Advisory Memorandum 81-IX).

Appendix B

THE 1982-83 BASE

This appendix outlines the derivation of the 1982-83 base used in Council's funding exercise. For the purpose of this exercise, Council assumes that system expenditures in 1982-83 will equal total revenue, and estimates total operating revenue at $1,310.2 million. Table A-1 provides details of 1982-83 revenues by type.

FORMULA AND NON-FORMULA GRANTS

The figure $1,029.155 million found in Table A-1 is derived by subtracting $6.375 million in line-item grants and $0.637 million to be used for the grant-in-aid to the Bar Admission Course from the $1,036.167 million in operating grants announced by the Minister on February 18, 1982.

FORMULA AND OTHER FEES

Council's funding base includes only that fee revenue which is derived from formula fees and other fees. Any revenue accruing to the universities as a result of the application of their discretionary tuition fee power has been excluded from the base. The 1982-83 formula fee revenue is estimated to equal $221.87 million. This is calculated by applying the 1982-83 formula fee rates to 1982-83 enrolment and adjusting for the predicted 4.5% increase in enrolment for 1982-83. This figure also includes an estimate of supplementary foreign fee revenue and third-term graduate formula fees. The other fee revenue estimate of $13.9 million was based on the universities' budget reports for 1982-83.

OTHER REVENUE

Other revenue includes Ministry line-item grants of $6.375 million and an estimated $50.2 million in other sources of income. The latter amount was derived from the universities' reports on budgeted revenue for 1982-83. It should be noted that the income category "sales of services and products" is now excluded from other income. The Committee of Finance Officers-Universities of Ontario's (COFO-UO) accounting of this item has changed since last year, leaving this category a nil item. in order to eliminate any confusion in reporting to Council and to COFO-UO, Council has adopted the COFO-UO reporting procedure.

Table A-1

University System Revenue
1982-83 Estimate
($ millions)

Formula and Non-Formula Grants*	1,029.155
Formula Fees	221.870
Other Fees	13.900
Other Revenue**	56.575
Total	1,321.500

* Excludes Ministry line-item grants and Bar Admission Course grant-in-aid.

**Includes Ministry line-item grants.

82-IIIA Government Support of the University System in 1983-84 in Light of the Inflation Restraint Act, 1982

On June 11, 1982, Council finalized its advice on the level of Government support required by the university system in 1983-84 and, on June 29, 1982, submitted that advice to the Minister of Colleges and Universities. On September 21, 1982, Government introduced Bill 179, *An Act Respecting the Restraint of Compensation in the Public Sector of Ontario and the Monitoring of Inflationary Conditions in the Economy of the Province*. This Act, passed on December 15th, 1982, places certain restraints on the increases in compensation that can be provided in 1983-84 by the provincially-assisted universities and their affiliated colleges, Ryerson Polytechnical Institute, the Ontario Institute for Studies in Education, the Ontario College of Art and Dominican College. At the time that Bill 179 was introduced in the Legislature, it was announced that tuition fees would be limited to a 5% increase in 1983-84. Thus the introduction of the restraint program will result in a financial environment for the institutions that is substantially different from that projected by Council in June, 1982 in formulating its funding advice for 1983-84.

In this Memorandum, Council takes account of the impact of the restraint program now in place for 1983-84, re-calculates its advice on the amount of Government support required for 1983-84, and makes a new recommendation to replace Recommendation 82-5 contained in Advisory Memorandum 82-III. This is an unusual step for Council to take but it is prompted by unusual circumstances.

I. Calculation of Funding Requirements for 1983-84

The Basic Funding Objectives for 1983-84 presented in Advisory Memorandum 82-III remain unchanged. The cost of basic funding objectives for 1983-84, however, has been recalculated with the results shown in Table I.

(a) *The 1982-83 Base (Column 1)*

The 1982-83 Base remains unchanged at $1,321.5 million.

(b) *Increases in Costs due to Inflation (Column 2)*

The *Inflation Restraint Act, 1982* dictates "a one-year five per cent wage freeze in all areas of the public sector in Ontario".[1] This 5% wage scale guideline is to be applied to the compensation plans expiring between October 1, 1982 and September 30, 1983. For most universities, this wage scale guideline will be in effect for 10 months of the 1983-84 fiscal year, while for the remaining institutions the 5% guideline will be in effect for 12 months of the 1983-84 fiscal year. On average, the 5% guideline will be in effect for 10.5 months of the 1983-84 university fiscal year.

Council has re-estimated its 1983-84 salary inflation factor to reflect salary costs under the Government restraint program. Council's new salary inflation factor of 5.7% is calculated by: (1) applying the 5% wage scale guideline for 10.5 months of the 1983-84 fiscal year; and (2) applying for the remaining 1.5 months the average percentage increase in salary scales found in the 1982-83 salary settlements of the institutions whose present salary contracts overlap into the 1983-84 fiscal year.

Council has made an additional special benefits inflation provision in column 2 of Table I. Normally, Council assumes that benefit costs will increase at the same rate as salary costs. However, for 1983-84, when it is estimated that salary cost increases will be constrained to 5.7%, certain benefit costs will not be constrained. In particular, by Government of Canada legislation, the employer's share of unemployment insurance premiums will increase by about 40%. Therefore, an

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[1] Statement by the Honourable William G. Davis, Premier of Ontario, to the Legislature (September 21, 1982).

Table I

The Cost of Basic Funding Objectives for 1983-84
($ million)

	1	2	3	4	5	6	7
	1982-83 Base	Inflationary Trend Costs	Service Level Costs	Efficiency/ Rationalization Factor	Predicted Enrolment Change	Stabilization Factor	Cost of Basic Objectives for 1983-84
Expenditures							
Salaries and Fringe Benefits	1,066.5	65.4	5.7	-5.7	34.0	-17.0	1,148.9
Non-Salary	255.0	28.1	0.0	-1.4	8.5	-4.3	285.9
Total	1,321.5	93.5	5.7	-7.1	42.5	-21.3	1,434.8

Notes:

1. Percentage change factors are as follows: Column 2: + 5.7%, 11.0%. Column 3: + 0.5%, 0.0%. Column 4: - 0.5%. Column 5: + 3.0%. Column 6: -50.0% of Column 5

2. These factors, except for column 6, are applied to the cumulative total of the previous columns.

3. Column 2 also includes $4.6 million in increased unemployment insurance premium costs.

additional $4.6 million has been added to the salary and fringe benefits factor in column 2 of Table I to reflect the estimated increased costs which the universities will incur in 1983-84 from this expenditure item.

The annual percentage increases in the prices of non-salary items purchased by universities have exceeded the annual percentage increases in salaries for several years. During the seven-year period, 1974-75 to 1980-81, the annual increase in the Ontario University Non-Salary Price Index (OUNSPI)[2] averaged 30.5% higher than the annual increase in the Consumer Price Index (CPI). After reviewing recent forecasts by several competent authorities, Council now estimates that the CPI will increase by 9.0% in 1983-84 (this compares with Council's June, 1982 estimate of 9.5%).

However, in view of the restraint program, application of the differential between OUNSPI and CPI (30.5%) to Council's estimate of the increase in CPI for 1983- 84 would likely over-estimate the increase in costs in non-salary items. The prices of approximately 15% of the universities' non-salary expenditures are likely to be controlled in 1983-84 under either the Government of Ontario or Government of Canada administered price restraint programs. The prices of the remaining non-salary expenditures are not likely to be directly affected by Government restraint programs. Therefore, Council's 1983-84 estimate of non-salary inflation is calculated by applying the 30.5% differential to: (1) Government's 5% guideline for those expenditures falling under one of the administered price restraint programs (15% of non-salary expenditures); and (2) Council's estimate of the 1983-84 increase in CPI for the remaining non-salary expenditures (85%). This results in a non-salary inflation estimate of 11.0% for 1983-84.

(c) *Increase in Costs of Maintaining Existing Service Levels (Column 3)*

The faculty manpower flow model developed by the Council of Ontario Universities predicts that, for the existing age distribution of faculty, under normal salary conditions (i.e., without the wage restraint program) the net costs of providing for progress-through-the-ranks (PTR) in 1983-84 would be 1.7% of salaries and benefits. However, the wage restraint program does not allow any increase in salaries to recognize PTR for faculty with salaries equal to or greater than $35,000. When the faculty manpower flow model is adjusted to reflect this, on a 12-month basis, the estimated net "cost" of providing for faculty PTR in 1983-84 will be -0.7% of faculty salaries and benefits. However, similar to salary scale provisions under this legislation, the PTR wage restraint provision applies, on average, to only 10.5 months of the 1983-84 fiscal year. Consequently, Council's estimate of net faculty PTR costs for 1983-84 of -0.4% is calculated by: (1) applying the -0.7% wage restraint faculty PTR cost estimate for 10.5 months of the 1983-84 fiscal year and (2) applying, the original 1.7% estimate of net faculty PTR costs for the remaining 1.5 months of 1983-84 when the wage restraint program is not in effect. Thus, under the PTR provisions of Government's wage restraint program, the universities will save 0.4% of faculty salaries and benefits in 1983-84 as a result of the difference in salaries between people (at higher salaries) leaving the faculty complement and people (at lower salaries) entering faculty ranks.

Government's wage restraint program does not limit PTR salary increases for individuals earning under $35,000 and the vast majority of non-academic staff fall within this category. The savings experienced as a result of not having to provide PTR to non-academic staff earning over

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[2] The Ontario University Non-salary Price Index is calculated annually by the Council of Ontario Universities.

$35,000 in salary are expected to be more than offset by the provision under the restraint legislation to provide individuals earning less than $20,000 a salary scale increase of greater than 5%. Consequently, Council continues to use 1.7% as the cost of providing for career progress in the non-academic staff complement in 1983-84.

Applying the -0.4% PTR factor to that portion of total salary costs attributable to faculty (55%) and the 1.7% PTR factor to that portion attributable to non-academic staff (45%) results in an estimated net cost increase of 0.5% in 1983-84 for career progress of faculty and staff. This factor has been applied to the total of all salaries and fringe benefits expenditures.

(d) *Cost Reductions due to Efficiency/Rationalization (Column 4)*
As in Advisory Memorandum 82-III: -0.5%.

(e) *Projected Increase in Enrolment (Column 5)*
As in Advisory Memorandum 82-III: + 3.0%.

(f) *Funding Stabilization Factor (Column 6)*
As in Advisory Memorandum 82-III: 50% of (e).

(g) *Total Cost of Basic Funding Objectives (Column 7)*
By adding the figures in Column 1 to 6 inclusive, Council's revised estimate of the total cost of basic funding objectives in 1983-84 is $1,434.8 million, an 8.6% increase over the 1982-83 estimated expenditure base.

II. Estimated Government Grants Required to meet the Basic Funding Objectives

Council's estimate of other income accruing to the university system in 1983-84, in addition to Government grants and tuition fees, remains as in Advisory Memorandum 82-III:

(1) from other sources, $56.6 million, the same as the amount projected for 1982-83.

(2) from fees other than tuition fees, $14.3 million, the same as the amount projected for 1982-83 adjusted for the projected 3.0% increase in enrolment in 1983-84.

On September 21, 1982 the Premier of Ontario announced "that as a first initiative within the administered price regulations, tuition fees for colleges and universities will not be allowed to increase by more than five per cent in the next school year."[3] Council, therefore, now estimates that formula tuition fees in 1983-84 will be $239.9 million, a figure derived from the 1982-83 formula tuition fees adjusted for the predicted 3% increase in enrolment in 1983-84 and the 5% increase in tuition fee levels set out in the Premier's statement to the Legislature.

As shown in Table II, Council now estimates that of the total $1,434.8 million required, $1,124.0 million must be made available as Government operating grants to meet the costs of Council's basic funding objectives in 1983-84.

The total amount of $1,124.0 million is a 9.2% increase over the total amount provided for 1982-83 ($1,029.2 million), but this includes the amount required because of increased enrolment. The present 1982-83 Basic Income Unit (BIU) values are $3,669 (undergraduate) and $3,576 (graduate).[4] The increase in basic funding recommended for 1983-84, with the projected increase in enrolment, would result in BIU values of $3,908 (undergraduate) and $3,809 (graduate), an increase of 6.5% in funding per BIU - well below the range of forecasts of inflation in 1983-84. Thus Council's funding recommendation for 1983-84 is very much in keeping with the restraint announced by the Treasurer of Ontario in the budget statement of May 13, 1982 and the inflation restraints contained in the Inflation Restraint Act, 1982.

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[3] Statement by the Honourable William G. Davis, Premier of Ontario, to the Legislature (September 21, 1982), p. 20.

Table II

Cost to Government of Meeting Council's Basic Funding Objectives for 1983-84: Provincially-Assisted Universities, Affiliated Colleges, Ryerson, OISE, OCA and Dominican College
($ million)

		1,434.8
2.	Other Revenue	(56.6)
3.	Other Fee Revenue	(14.3)
4.	Formula Fee Revenue	(239.9)
5.	Cost to Government of Basic Funding Objectives	1,124.0

Accordingly, Council *recommends to the Minister and Lieutenant-Governor in Council:*

> *OCUA 82-5A*
> *GOVERNMENT OPERATING GRANTS FOR 1983-84 TO MEET THE COSTS OF COUNCIL'S BASIC OBJECTIVES IN FUNDING THE OPERATION OF PROVINCIALLY-ASSISTED UNIVERSITIES AND THEIR AFFILIATED COLLEGES, RYERSON POLYTECHNICAL INSTITUTE, THE ONTARIO INSTITUTE FOR STUDIES IN EDUCATION, THE ONTARIO COLLEGE OF ART AND DOMINICAN COLLEGE*
>
> *THAT* $1,124.0 million in operating grants be made available in 1983-84 to the provincially-assisted universities and their affiliated colleges, Ryerson Polytechnical Institute, the Ontario Institute for Studies in Education, the Ontario College of Art and Dominican College.

This recommendation supercedes Recommendation 82-5 in Advisory Memorandum 82-III and has the effect of reducing the original recommendation by $36.4 million. Recommendation 82-6 in Advisory Memorandum 82-III is superceded by the announced limitation of a 5% increase in tuition fee levels for 1983-84.

Council re-affirms Recommendations 82-7, 82-8 and 82-9, contained in Memorandum 82-III.

Conclusion

It is Council's conviction that the funds recommended above are the minimum required under the inflation restraint program to ensure that quality does not decline further and that the goals of the Ontario university system are met in 1983-84 to the same extent that they are being met in 1982-83.

B. C. Matthews
Chairman
December 20, 1982

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4. Ministry of Colleges and Universities, *University Audit Reports: Financial Reports*, May 14, 1982, p. 9.

82-IV The Ontario Graduate Scholarship Program, 1983-84

In this memorandum Council presents its advice for 1983-84 on the value of the Ontario Graduate Scholarship (OGS) stipend and the number of awards.

Scholarship Eligibility
Council notes that the OGS residency requirement, while consistent with the residency requirement for doctoral fellowships awarded by the Social Sciences and Humanities Research Council (SSHRC), is more restrictive than the requirements for the post-graduate scholarships awarded by the Natural Sciences and Engineering Research Council (NSERC). OGS and SSHRC regulations require that an applicant must be a Canadian citizen or have established landed immigrant status at least one year prior to the deadline for applications, while NSERC regulations stipulate that an applicant only has to be a "permanent resident" as of the cut-off date for applications.

In the OGS competition, "recent" landed immigrants and visa students may apply, but only for a small number of awards which have been specially set aside for them. They are not eligible to compete for the general pool of "open awards". Council adheres to its long-standing position that the:

> Ontario Graduate Scholarships be open equally to Canadian citizens and to persons who hold landed immigrant status as of the official annual closing date for applications, it being understood that this provision applies similarly to institutional nominees.[1]

Council maintains this position because the present OGS residency requirement effectively excludes some highly qualified landed immigrants simply because they have held landed immigrant status for less than one year. The residency requirement advocated by Council previously is, in Council's judgement, the one that "best serves the principle of equality of opportunity."[2]

Scholarship Stipend
The Minister announced on April 2, 1982 that the value of the OGS stipend for 1982-83 would increase from the 1981-82 value of $1,900 per term to a level of $2,090 per term. This is a 10% increase in the value of the award.

By contrast, the values of the NSERC and SSHRC awards for 1982-83 have been increased by 12.3% and 11% respectively. The 10% increase in the value of the OGS stipend for 1982-83 results in a continuation of the decline which has taken place in recent years in the relative value of the OGS scholarship. For 1982-83, the relative value of an OGS declined further to 59.7% of the value of an NSERC award and 64.5% of the value of a SSHRC award compared to 61.0% and 65.1% respectively in 1981-82. In 1974-75, the OGS was approximately 76% of the value of an NSERC award and 85% of the value of a SSHRC award.

In Table I, Council updates its comparisons of the values of the OGS, NSERC and SSHRC awards since 1974-75 (the first year of the OGS program). Given its continuing concern that the OGS be a prestigious academic award that fosters excellence and that contributes significantly to the support of first-rate students, Council finds these comparisons distressing, especially at a time when there are such attractive alternatives to the pursuit of scholarship at the graduate level.

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1. OCUA Recommendations 75-3, 76-2, 77-1, 78-4
2. OCUA *Seventh Annual Report* 1980-81, p. 109

Table I

COMPARATIVE SCHOLARSHIP STIPENDS

	OGS	NSERC PGS Stipends[1]	SSHRC Stipends (1st & 2nd PhD)
1974-75	$3,400[2]	$ 4,500	$4,000
1975-76	$3,400[2]	$ 5,000	$5,000
1976-77	$3,750	$ 5,520	$5,500
1977-78	$4,350	$ 6,000	$6,000
1978-79	$4,500	$ 6,360	$6,360
1979-80	$4,800	$ 8,500	$7,860
1980-81	$4,890	$ 8,500	$7,860
1981-82	$5,700	$ 9,350	$8,760
1982-83	$6,270	$10,500	$9,720
% increase 1982-83 over 1974-75	84.4	133.3	143.0

[1] NSERC post-graduate scholarship (PGS) values are those that were in effect in the Fall of each academic year.

[2] Adjusted to take account of the integration of fees into the stipend in 1976-77.

Advisory Memorandum 81-I contained an outline of the effects that inflation, as measured by the Consumer Price Index, has had on the real dollar values of the OGS, NSERC and SSHRC awards. Table II provides an update of this information. It incorporates the actual rate of inflation for 1981-82 and an estimated rate of inflation for 1982-83. The table demonstrates that the 10% increase in the value of the OGS stipend for 1982-83 results in a decrease in the real value of the award over 1981-82. The 1982-83 value of the award in 1974-75 constant dollars is 12.6% below the actual 1974-75 value. By comparison, the real dollar values of the NSERC and SSHRC awards for 1982-83 are, respectively, 10.6% and 15.2% higher than their 1974-75 values.

Table II

COMPARATIVE SCHOLARSHIP STIPENDS
(In Constant Dollars 1974-75 = 100.0)

	OGS	NSERC PGS Stipends	SSHRC Stipends (1st & 2nd PhD)
1974-75	$3,400	$4,500	$4,000
1975-76	$3,091	$4,545	$4,545
1976-77	$3,191	$4,698	$4,681
1977-78	$3,409	$4,702	$4,702
1978-79	$3,233	$4,569	$4,569
1979-80	$3,158	$4,605	$4,441
1980-81	$2,893	$5,030	$4,651
1981-82	$3,011	$4,939	$4,628
1982-83	$2,972	$4,976	$4,607
% change 1982-83 over 1974-75	-12.6	+ 10.6	+ 15.2

In deciding on the appropriate value for the OGS stipend for 1983-84, Council has taken all of the above factors into consideration. As well, Council anticipates that the NSERC and SSHRC award values will increase once again in 1983-84.

Council, in keeping with its long-held view of the OGS as a prestige award, accords the highest priority to maintaining the value of the stipend at an appropriate level. At the very least, the real value of the award should approximate the 1982-83 value. The value of the stipend should, therefore, be increased to $6,867 for 1983-84. This is an increase of approximately 9.5% over the value of the 1982-83 stipend. Accordingly, Council *recommends to the Minister:*

OCUA 82-10
ONTARIO GRADUATE SCHOLARSHIP STIPENDS, 1983-84

THAT Ontario Graduate Scholarships carry a minimum stipend of $6,867, or $2,289 per term, in 1983-84.

Numbers of Awards
Table III provides an update on the number and distribution of OGS awards, by category, since 1974-75.

Table III

NUMBER OF OGS AWARDS
(by category)

	Open	Institutional	Visa/LI	Total
1974-75	850	150	(Quota)[1]	1,000
1975-76	850	150	(Quota)[1]	1,000
1976-77	850	150	(Quota)[1]	1,000
1977-78	850	45	50	945
1978-79	1,150	45	50	1,200
1979-80	1,095	45	60	1,200
1980-81	1,095	45	60	1,200
1981-82	910	40	50	1,000
1982-83	1,095	45	60	1,200

[1] Up to 10% of the awards could be allocated to landed immigrants or holders of student visas.

Council is encouraged by the Minister's decision to accept Council's advice for 1982-83 and so restore the number of institutional awards to its 1980-81 level of 45. Council, for reasons first outlined in Advisory Memorandum 76-II, continues to endorse the concept of institutional awards, and for 1983-84 accordingly *recommends to the Minister:*

> *OCUA 82-11*
> *INSTITUTIONAL AWARDS TO UNIVERSITIES WITHOUT DOCTORAL PROGRAMS*
>
> *THAT* up to 55 scholarships (11 per university) be institutional awards in 1983-84 for universities without doctoral programs.

Starting in 1977-78, a small number of OGS awards have been set aside exclusively for "recent" landed immigrants and persons on student visas. They are ineligible to compete for the general pool of "open" awards. In 1977-78 and 1978-79, 50 awards were made available in this category. In 1979-80 and 1980-81, 60 awards were allocated, but the number was reduced to 50 for 1981-82. Council is pleased that the Minister accepted Council's advice last year and increased the number of awards to 60 for 1982-83.

Council notes that in the report of the chairman of the OGS Selection Board for 1982-83, the question of the appropriate number of awards for "recent" landed immigrants and visa students is raised. The number of visa student applications increased by 36.9% for 1982-83 over 1981-82. In view of the high quality of the applicant pool and the large increase in the number of applications for awards in this category, Council believes that the number of awards should be increased. Accordingly, Council *recommends to the Minister:*

OCUA 82-12
ONTARIO GRADUATE SCHOLARSHIPS TO RECENT LANDED IMMIGRANTS AND PERSONS ON STUDENT VISAS

> *THAT* up to 70 scholarships be reserved for persons who at the time of application are either student visa holders or have held landed immigrant status for less than one year.

While Council continues to place the highest priority on the real value of the stipend, it notes that the 1,200 awards made available for 1982-83 is the same number as that provided in 1979-80. Yet, the total number of applications has increased by 16% since 1979 and in some individual fields, the increase has been substantially higher. As well, even though some 65-70% of the applicants each year are qualified to receive an award, only about 20-25% actually receive one. The OGS Selection Board urges that 200 more awards (for a total of 1,400) be made available in 1983-84. At a value of $6,867 per award this will require an increase of 28% over last year in the total amount of funds made available for the OGS program. If that increase cannot be achieved, the number of awards should be scaled down as shown in Table IV so as to maintain the recommended value of the award, i.e. $6,867.

In view of the above considerations, Council requests that, for 1983-84, the increase in the funding for the Ontario Graduate Scholarship program be within the percentage range displayed in Table IV. Council accordingly *recommends to the Minister:*

OCUA 82-13
NUMBER OF ONTARIO GRADUATE SCHOLARSHIP AWARDS IN 1983-84

THAT, consistent with the priority attached by Council to a 1983-84 stipend value of $6,867, the number of Ontario Graduate Scholarships available for:

a) open competition,
b) institutional awards at universities not having any doctoral programs, and
c) visa students and recent landed immigrants

be determined in the manner illustrated in Table IV of this memorandum.

B. C. Matthews
Chairman
June 11, 1982.

Table IV

NUMBER AND COMPOSITION OF OGS AWARDS FOR 1983-84 UNDER ALTERNATIVE FUNDING INCREASES

Percent Increases in Funding for 1983-84 over 1982-83 %	Total Awards Possible at a Stipend of $2,289 per term[1]. (No.)	Awards Available for Open Competition (No.)	Awards Available for Visa Students and Recent Landed Immigrants (No.)	Insti. Awards for Equal Dist.by Quota among Univ. with no Doctoral Programs (No.)
9.5[2]	1,200	1,095	60	45
10	1,205	1,100	60	45
11	1,216	1,110	61	45
12	1,226	1,120	61	45
13	1,237	1,130	62	45
14	1,247	1,140	62	45
15	1,258	1,150	63	45
16	1,274	1,160	64	50
17	1,284	1,170	64	50
18	1,295	1,180	65	50
19	1,305	1,190	65	50
20	1,316	1,200	66	50
21	1,326	1,210	66	50
22	1,337	1,220	67	50
23	1,347	1,230	67	50
24	1,358	1,240	68	50
25	1,368	1,250	68	50
26	1,379	1,260	69	50
27	1,390	1,270	70	55
28	1,405	1,280	70	55

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1. Assuming that there is no change in the mix of the two-term and three-term awards.
2. The recommended stipend of $6,867 for 1983-84 is approximately 9.5% greater than the stipend for 1982-83. Therefore, the OGS funding for 1983-84 would have to increase by approximately 9.5% to maintain the number of awards at 1,200, assuming that there is no change in the mix of two-term and three-term awards.

82-V Restrictions on University Deficits

On February 18, 1982, the Minister of Colleges and Universities wrote to the Chairman of Council to announce the level of Government's financial support for the university system in 1982-83. The Minister's letter also contained the following reference:

> As I said in my letter to the executive heads and board chairmen, institutions must exercise control over their expenditures. They should not allow unmanageable deficits to accumulate. I have warned them that there will be no special government funding to help those that do. We have reached a point where government must consider action both to prevent unmanageable deficits from being incurred and to eliminate them where they now exist. Accordingly, I am asking Council to advise me on the most appropriate legislative method to prevent universities from incurring unmanageable deficits and to eliminate or reduce any that have been incurred.

Thus Council, in this memorandum, provides advice on the matter of university deficits and the potential legislation and/or policies for dealing with such deficits.

Autonomy, Accountability and Academic Freedom

Traditionally, universities have enjoyed a considerable measure of freedom from interference by external bodies in the management of their financial and academic affairs. Each university in Ontario is governed by its own individual Act. Each Act accords the university's governing bodies full and complete authority in financial and academic matters. There are few, if any, other jurisdictions in which publicly-funded universities have autonomy as complete as that which is possessed by universities in Ontario.

Council supports without hesitation the concept of academic freedom. It is essential that universities continue to maintain academic freedom; that they determine who will teach in the university, what will be taught (the content of courses and programs), who will be admitted and who will graduate, and ensure that the members of the university may express opinions on any matter without fear of reprisal. To the extent that the institutional autonomy of a university is necessary to maintain academic freedom, that autonomy must be protected.

At the same time, however, it cannot be argued successfully that institutional autonomy must be absolute, particularly when the major portion of the operating cost comes from the public purse. Financial accountability to the public need not and should not remove the essential autonomy that is necessary to protect academic freedom. As the Committee on the Future Role of Universities in Ontario (CFRUO) has noted:

> While . . . autonomy for the university and the academic freedom it is designed to protect are major conditions for the successful fulfillment of the university's mandate, they are not unlimited, particularly so in the case of universities which receive, as do the universities of this province, the major proportion of their financial resources directly from public funds. When this is the case, the government has a responsibility to ensure that the universities are adequately accountable for the expenditure of these public funds and are efficient in the pursuit of those objectives for which the funding is provided. There is no quarrel with the principle that massive public financial support requires strict accountability.[1]

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[1] Committee on the Future Role of Universities in Ontario, *Preliminary Report*, March 1981, p. 34.

Currently, in Ontario, Government determines the number and nature of the institutions that it will support through grants. It requires that those institutions follow stipulated practices in the reporting of enrolment and financial information and establishes general guidelines on levels of tuition fees. While a university, under its Act, may offer any course or program that it deems desirable, it may not receive grant support from Government, particularly for graduate programs and for undergraduate "professional" programs, without formal Government approval. Thus a measure of financial accountability has been achieved and is now generally accepted as warranted and necessary in view of the massive public financial support provided.

The proposed requirement that no university should incur an "unmanageable" deficit is, in Council's view, a logical and necessary extension of the principle of financial accountability. Council considers the issue important at this time because restricted funding from Government has made it increasingly difficult for universities to balance income and expenditures. Without clearly defined deficit limits, and in the absence of clear projections by Government of its future funding intentions, institutions face growing pressure to resort to deficit budgeting. In fact, some proponents argue that only by running large deficits can an institution convince Government that underfunding is real. Others believe that, when the deficit of an institution becomes large enough, Government will be forced to "bail out" that institution. Furthermore those university governing bodies that do hold the line on deficits continue to be fearful that other governing bodies that do not act similarly will eventually receive special assistance from Government.

While Council is convinced of the need for the implementation of policies and procedures to prevent the incurrence of unmanageable deficits, it recognizes that occasional deficits may be inevitable and not necessarily symptomatic of "bad management". Council believes that any legislative proscription should deal only with significant or chronic deficits, and only in such cases where there is no definitive and realistic plan for their elimination.

The Current Situation in Ontario

As mentioned previously, each university in Ontario operates under its own Act which gives full authority to the appropriate governing body in all financial matters. The Minister or Government has no direct authority to control the financial management of an institution, nor to prohibit or limit deficits. Government could, of course, withdraw or limit its financial support to an institution whose financial behaviour was, in the Minister's view, irresponsible. Such action would not necessarily stop the leak in the sinking ship. Rather, it would shut down its pumps. New legislation is required if the Minister is to impose deficit regulations on the universities notwithstanding the existing university Acts.

Council is certain that Government shares Council's strong conviction that direct intervention by Government in the financial management of any university should be occasioned only when the institution's financial viability is in serious danger, and then only as a last resort. Therefore, in addition to its advice on legislation as requested by the Minister, Council also offers, in this memorandum, advice on policies and procedures that should be followed to assist an institution in re-establishing its financial health without such intervention.

Other Provincial Approaches

Before considering, in specific terms, the restrictions on university deficits which might be applied in the Ontario situation, it is instructive to note the approaches adopted in other provincial jurisdictions.

Six provinces have legislative provisions which prohibit universities from incurring deficits (usually, of any size) unless they first have the permission of either the relevant universities commission or the provincial government. In five cases (British Columbia, Alberta, Saskatchewan, Prince Edward Island and Newfoundland) the restriction appears as a section of the appropriate university act. In Manitoba, it is the Universities

Grants Commission Act which contains the restriction. Section 20 of that Act reads as follows:

> Notwithstanding the provisions of any other Act of the Legislature, a university or college shall not incur any liability or make any expenditure in a fiscal year beyond the amount unexpended of the grants made to the university or college by the Universities Grants Commission and the estimated revenue of the university or college from other sources up to the end of and including that fiscal year unless an estimate thereof has been first submitted to and approved by the Universities Grants Commission.[2]

The other three provinces (Nova Scotia, New Brunswick and Quebec), while they do not restrict university deficits through legislation, do have established policies designed to control deficit financing. The Maritime Provinces Higher Education Commission has a policy that a university cannot run a deficit in excess of 2% of the total value of the operating grant which it receives from the Commission. Quebec, on the other hand, while it formerly had a guideline whereby universities were not to run deficits in excess of 5% of their total operating budgets, has now introduced a new policy requiring all of the institutions to submit plans by which they will balance their budgets by 1984-85. Thus the lack of legislative provisions has not meant an absence of restrictions, except in Ontario.

The relative success of the various approaches adopted in other provincial jurisdictions is difficult to assess, primarily because none exists or operates in isolation from other related policies or circumstances. The Maritime Provinces Higher Education Commission, for example, enforces its 2% policy by refusing to consider capital or program requests from institutions which have failed to reduce their deficits as instructed by the Commission. In British Columbia, on the other hand, the legislative provision is as yet untested (although in place since 1979) because no institution has found it necessary to seek the required approval. A provincial regulation, known as the "Minister's No-Commitment Funding Edict", requires the British Columbia institutions to "cover-off" faculty salary increments and all new appointments when budgeting for the next fiscal year - thus creating a "buffer" of surplus funds.

In Quebec, the effectiveness of the original 5% guideline appears to have been undermined by province-wide bargaining on faculty salaries coupled with restricted university funding. The current policy, however, also faces some difficulties. The original deadline for the submission of the institutional plans was September 1, 1981 but by that time none had been submitted and since then only three have been received by the Quebec Ministry.

It should be noted that there are considerable differences in the structure, complexity and circumstances of the various provincial university systems. Of the six provinces with legislated deficit restrictions, for example, two (Newfoundland and Prince Edward Island) have only one university and none has more than five. Some jurisdictions have province-wide bargaining arrangements for faculty salaries while others do not. The various university councils or commissions, where they exist at all, have varying degrees of executive authority in diverse policy areas. Finally, the relative level of funding experienced by the different provincial systems has, to some extent, affected the type of deficit restrictions established and the ways in which they have been applied.

It is apparent, therefore, that the other provincial jurisdictions have adopted certain legislative or policy restrictions which may be appropriate to their individual situations but which cannot be effectively applied, without significant amendment, in a jurisdiction which exhibits different characteristics.

An Approach for Ontario

In general, the restrictions on deficits of universities in other provinces are applied to the annual operating, as distinct from the accumulated, deficit. Council believes that the incurrence of a deficit in any one year may be not only acceptable but may in fact be a prudent step to take in a given set of circumstances. The difficulties arise if and when deficits accumulate to an excessive level. In fact, virtually every institution in Ontario has run a current year operating deficit at one time or another during the past five years. Yet many of those institutions are not in financial difficulty. Therefore, Council favours a policy which allows for annual operating deficits and a cumulative deficit, up to a specified level, to be incurred without external review.

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[2] SM 1976, Chapter 68, Section 46.

In general terms, the approach which Council envisages may be described as a four-part sequential process. The steps involved would constitute the following:

1. *The Identification Stage*
   The first step would be the identification of those institutions which are at or have exceeded a pre-selected "trigger point".
2. *The Evaluation Stage*
   The second step would consist of a procedure whereby the financial positions of the institutions identified under 1. above would be examined and evaluated by an external body.
3. *The Adjustment Stage*
   The third step would provide those institutions which, as a result of 2. above, were deemed to be in an unacceptable financial situation an opportunity to develop plans to adjust their pattern of expenditures and income such that their accumulated deficits would be eliminated within a specified period of time.
4. *The Intervention Stage*
   The fourth step would consist of direct Government intervention in the financial affairs of those institutions (if any) which failed to prepare and/or implement an acceptable financial plan, under 3. above.

Council recognizes the serious definitional and procedural problems which are likely to be encountered in applying the process outlined above. Further, it is to be expected that unforeseen difficulties will arise during the initial implementation period for any new set of policies and procedures and thus some flexibility must be built in and adaptation expected. In the sections immediately following, therefore, Council presents some specific details concerning the four parts of the process in order to delineate, in a more practical way, the ramifications of each.

The Identification Stage

In terms of this initial step, the first consideration involves the determination of the appropriate items to be included when defining institutional deficits.

Normally, university accounts are maintained in terms of General and Restricted funds. General funds include:

a) The Operating Fund, which is derived from grants, tuition and other fees, and other income from investments, sale of services, disposables, etc.,

b) The Other (Non-Credit) Fund, which is derived from fees, etc. received for non-credit courses and programs, and

c) Funds derived from Ancillary Enterprises such as student residences, bookstores, parking, etc.

While deficits may be incurred in any (or all) of these three areas, ancillary enterprises are usually operated on a break-even basis, charges for services being adjusted by the institution to cover costs of providing the services. By current regulation, Government operating grant funds may not be used to cover deficits in ancillary enterprises. Other (non-credit) income is insignificant in most institutions.

Restricted funds include Sponsored Research, Trust and Endowment, and Capital. Accumulation of deficits in Sponsored Research and Trust and Endowment are not likely because they are received by the institution for specific purposes. Deficits may be incurred on Capital Fund accounts, for example, by making commitments in excess of available funds for construction projects. However, the carrying charges and principal repayments would be reflected in Operating Fund accounts or may be derived from other funds such as private donations.

Thus Council believes that the condition of the Operating Fund is an appropriate and practical indicator of the financial health of an institution. The Operating Fund of each university:

> . . . accounts for the costs of instruction, academic support services, administrative plant maintenance and other operating expenses of the university financed by fees, grants and other general income.[3]

There are two readily available sources of information on the Operating Fund of each university. One is the annual audited financial statement; the other is an annual report of the Committee of Finance Officers - Universities of Ontario (COFO-UO) entitled *Revenue and Expenses of Ontario Universities*.

The individual audited financial statements have significant differences among them in the accounting policies and practices applied. Thus, for a given institution, if no changes in accounting practices are made from year to year (and there are often such changes), valid comparisons can be made from year to year. However, comparisons among institutions are difficult. For similar reasons, the method of calculating the deficit on operating funds varies from institution to institution due to the inclusion or non-inclusion of various expenditure and income items.

The COFO-UO annual reports, on the other hand, present the financial situations of the institutions in a more consistent manner. Although this report is the most comparably-presented source of information available, it does carry the following caveat:

> Certain of the summary data in this Report are subject to interpretation or clarification because of inherent differences among institutions in academic programmes, organization, physical environment, management philosophy and budgeting and accounting procedures.[4]

Nevertheless, for present purposes, the data presented in the COFO-UO report may be considered both suitable and adequate.

Thus Council suggests that an institution's accumulated deficit (if any) on the Operating Fund, after appropriations, be used as "the deficit" for the purpose of determining whether the institution's financial condition is acceptable. This figure, as of April 30th of any year, is reported in Volume III ("Operating Fund: Net Change in Appropriated Reserves and Unappropriated Funds") of the COFO-UO report for each institution under the heading "Balance, end of Year" for all unappropriated funds.

Having identified a deficit as above, it is then necessary to establish the level of deficit that should be used as a "trigger point". As mentioned previously, it is Council's view that some accumulated deficit should be allowed without causing any questioning of the institution. On the other hand, Council recognizes that the identification of a deficit before it becomes unmanageable is desirable to allow easier and more effective remedial action. It should be borne in mind also that the COFO-UO report does not become available until November, more than six months after the fiscal year end. Furthermore, the action proposed to follow immediately (described below) is not drastic.

Council therefore suggests that when an institution's accumulated deficit (as reported by COFO-UO) on April 30th reaches or exceeds 2% of total Operating Fund revenue for the same year, then that institution should be considered under the second step in the process (i.e., the appearance of such a deficit would cause the Evaluation Stage to begin). Total operating revenue would be as reported in Volume I ("Universities") of the COFO-UO report under Table 2 ("Actual Revenue by Source and Type of Fund") for each institution under the heading "Total Revenue" for the Operating Fund.

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[3] Committee of Finance Officers — Universities of Ontario. *Revenue and Expenses of Ontario Universities 1980-81*. Vol. I, p. 10

[4] *Ibid.*, p. v

The effect of the application of the definitions outlined above, using the COFO-UO reports for the 1980-81 fiscal year, is shown in Appendix A.

It should be noted that the COFO-UO report differentiates between, and presents data separately on, the "universities and related institutions which receive operating grants directly from the government of Ontario" (Volume I) and those "affiliated and federated colleges" (Volume II) which do not.[5] The exact nature of the relationship between an affiliated or federated college and its parent institution varies from case to case, but is usually marked by a significant degree of financial autonomy and some form of direct religious denominational affiliation. In Council's view, therefore, it would seem appropriate to restrict the application of the policies and procedures outlined in this memorandum to the 21 institutions listed in Volume I of the COFO-UO report.

The Evaluation Stage

When an institution, on the basis of the COFO-UO data, reaches a deficit position as defined above, Council would consult with representatives of that institution to determine whether:

a) the COFO-UO data for the institution are accurate,

b) the institution has funds not reported by COFO-UO in its reporting of the deficit for that institution but which could be used by the appropriate governing body to remove the reported deficit,

c) the institution has other financial obligations not reported by COFO-UO, and

d) the institution does indeed have a deficit that is potentially unmanageable in the sense that the institution has no realistic plans for its short-term elimination.

When this process has been completed, Council would, by way of an advisory memorandum, report to the Minister on the situation of each university that had been identified as having a potentially unmanageable deficit.

In its memorandum, Council will report on all of the institutions identified under the first stage of the process. The situation at each institution will be identified in terms of the following:

Category A
Those institutions which have demonstrated to Council's satisfaction that they either do not in fact have an accumulated deficit or have one which is manageable in the sense that there is a practical plan (or realistic expectation) for its elimination within a reasonable period of time.

Category B
Those institutions which, in Council's opinion, have an accumulated deficit of such magnitude that it constitutes an imminent threat to the institutions' financial viability.

For institutions listed under Category A, Council would report that no further action was deemed necessary. For institutions listed under Category B, Council would initiate the third step in the process, the Adjustment Stage.

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[5] *Ibid.*, p. iii.

The Adjustment Stage

Each institution listed under Category B would be requested to submit, to Council, a detailed financial plan which would show how the institution intends to effect the measures necessary to balance its annual operating budget and eliminate its accumulated deficit. The request would specify any items or conditions to be included in the plan, the time-frame which should apply and the date by which the plan must be submitted. All of the details connected with the request would be outlined in the advisory memorandum noted above.

The institution would be expected to submit, by the stipulated date, an internally-approved financial plan responding to Council's request which outlined:

a) all proposed adjustments to income and expenditures,
b) the assumptions used in projecting future income and expenditure levels,
c) the perceived impact of the proposed adjustments on the current range and level of institutional activity, and
d) such other comments or conditions which the institution might deem appropriate.

Upon receipt of such a plan from an institution, Council will evaluate the details of the plan. If Council considers the plan to be reasonable and realistic, it will so inform the Minister. The institution would thereafter be expected to report to Council, at least annually, concerning the progress achieved in implementing the plan and/or any required amendments to the plan arising out of changed circumstances.

It is Council's expectation that the stages outlined above will be sufficient, in most instances, to ensure that unmanageable deficits are not incurred or will be eliminated if they now exist. At the same time, Council considers it prudent to anticipate the possibility that direct intervention by Government in the operation of an institution may be necessary to ensure the financial viability of that institution. Such intervention would be deemed necessary if:

a) an institution refuses, or is unable, to prepare and submit a detailed financial plan when requested to do so by Council, or
b) an institution is unable to submit a detailed financial plan that Council considers to be reasonable and realistic, or
c) an institution fails to implement such a financial plan.

The Intervention Stage

Given any of the circumstances noted above, Council will recommend, by way of an advisory memorandum, that "primary intervention" occur. This would consist, in the first instance, of the appointment of an Investigator by the Minister to investigate and report on the financial situation of an institution. Government may then, as a result of the Investigator's report, appoint a Supervisor who would have the power, with regard to all decisions affecting the financial situation of the institution, to:

a) advise and guide the appropriate governing body and the executive head,
b) validate all of their decisions, and
c) if necessary, overrule their decisions or act in their stead.

Council has considered whether provision should be made, at this time, to allow for "secondary intervention"– in other words, to provide for the possibility that the Supervisor will fail to achieve the required result. Such intervention could consist of legislation which would do any one, or more, of a number of things, including:

a) the closing of an institution through the repeal of its Act,
b) the suspension of the governing bodies, the executive head and/or other officers of the institution and the appointment of a Trustee or Board of Trustees to manage the institution, and

c) the rescission of all collective agreements, tenure and other employee contractual arrangements.

On March 24, 1982, the Chairman of Council wrote to the Minister to suggest that Council did not deem itself competent to advise on the details of secondary intervention. The Minister responded, in a letter dated April 14, 1982, by noting that:

> ...the Ministry will have to consult other Ministries, such as the Attorney General and Labour before we could introduce legislation with such far-reaching implications. I do not expect Council to consult these bodies on our behalf and certainly do not expect you to propose the text of such legislative provisions.

Thus Council, while recognizing that such legislation may be required in extreme cases, has no detailed advice to render on its content.

Council's only advice, with respect to secondary intervention, is that it not be based on general enabling legislation. Council suggests that legislation to accomplish secondary intervention should be implemented only on a case-by-case basis. The enormous range of possible situations which may arise would likely mean that general legislative provisions would either be too all-encompassing (and thus open to misinterpretation) or too restricted (and thus requiring further amendment). Legislation specific to each case would be more appropriate and effective.

Legislation to Implement Deficit Restrictions

It is Council's understanding that certain legislative provisions would be required in order to implement the kind of deficit restriction process outlined above. In particular, to permit primary intervention an Act would be needed to allow for the appointment of an investigator and a supervisor and the overriding of a specific university's Act insofar as the latter now gives full authority to the appropriate governing body to manage the financial affairs of the institution. Such legislation should not, however, override any other Acts, agreements or policies as they may affect the institution. Further, the appointment of a Supervisor should continue only until such time as the accumulated deficit has been eliminated, or at least until a viable plan for its elimination is in place. Suggestions for legislation to govern primary intervention are provided in Appendix B. Based on all of the above, Council *recommends to the Minister:*

OCUA 82-14
RESTRICTIONS ON UNIVERSITY DEFICITS

THAT, in accordance with the considerations noted in this memorandum, the appropriate legislation, regulations and guidelines necessary to restrict the incurrence of deficits by the provincially-assisted universities, Algoma University College, College Universitaire de Hearst, Nipissing University College, Ryerson Polytechnical Institute, the Ontario Institute for Studies in Education and the Ontario College of Art, be established and implemented.

B. C. Matthews
Chairman
June 25, 1982

Appendix A

SURPLUS/DEFICIT SITUATIONS AS OF APRIL 30, 1981

(As Reported in COFO-UO, *Revenue and*
Expenses of Ontario Universities 1980-81)
A. B. Cumulative Total

	A. Cumulative Surplus/(Deficit) ($000s)	B. Total Operating Income ($000s)	A. as a % of B.
Brock	(440)	17,420	(2.5)
Carleton	(1,180)	53,118	(2.2)
Guelph	596	63,919	0.9
Lakehead	(241)	17,913	(1.3)
Laurentian	(1,357)	17,832	(7.6)
Algoma	(258)	1,898	(13.6)
Nipissing	416	2,679	15.5
Hearst	(78)	591	(13.2)
McMaster	704	70,610	1.0
Ottawa	415	83,548	0.5
Queen's	(384)	70,747	(0.5)
Toronto	1,064	232,100	0.5
Trent	(1,200)	12,113	(9.9)
Waterloo	2,300	78,051	2.9
Western	1,947	100,767	1.9
Wilfrid Laurier	269	21,161	1.3
Windsor	664	46,109	1.4
York	(1,875)	83,822	(2.2)
Ryerson	(1,728)	45,622	(3.8)
OISE	141	16,454	0.9
OCA	545	6,652	8.2
Total	320	1,043,126	0.03

Appendix B

SUGGESTIONS FOR LEGISLATION TO PROVIDE FOR PRIMARY INTERVENTION

1. The Minister may, at the request of the Ontario Council on University Affairs, investigate the financial status and prospects of any university that may have accumulated a deficit beyond the level specified in the regulations under this Act.
2. No person shall obstruct an Investigator or withhold or destroy, conceal or refuse to furnish any information or thing required by the Investigator for the purpose of the investigation.
3. The Minister on receipt of the report from the Investigator shall cause a copy to be delivered to the Chairman of the appropriate governing body of the university.
4. The Lieutenant-Governor in Council may appoint a Supervisor for a university where, having regard to the content of the report of the investigation under 3 above as to the financial circumstances of the institution, the Lieutenant-Governor in Council is of the opinion that the appointment is in the best interests of the public.
5. The Lieutenant-Governor in Council shall not make an appointment under 4 above sooner than thirty days after submission of the report of the investigation to the Lieutenant-Governor in Council.
6. The appointment of a Supervisor is valid until terminated by order of the Lieutenant-Governor in Council.
7. A Supervisor shall give advice and guidance to the governing bodies and the executive head of the University for the purpose of balancing the annual operating budget and eliminating the accumulated deficit.
8. It is the duty of the governing bodies and executive head to receive and consider the advice and guidance of the Supervisor in any matter affecting the financial situation of the institution.
9. Where a Supervisor requests in writing that the governing bodies or the executive head do any act they have the authority to do in the opinion of the Supervisor, and they fail to do so, the Supervisor may do the act on behalf of the governing body or executive head and the act is as effective as if done by the governing body or the executive head as the case may be.
10. During the term of office of the Supervisor no act of a governing body or executive head affecting the financial situation of the institution is valid unless approved in writing by the Supervisor.
11. A Supervisor has the same rights as the governing bodies and executive head in respect to documents, records and information of the governing bodies and of the institution.
12. A Supervisor may report to the Minister from time to time and shall report to the Minister in such form and manner, with such information and at such times as the Minister may require.

82-VI Graduate Program Funding - Social Demography (PhD), University of Western Ontario; Art History (MA), Queen's University; Geology (MSc), Lakehead University

In 1980, the Council of Ontario Universities (COU) recommended to Council six graduate programs that had satisfied Council's funding criteria for new graduate programs. In Advisory Memorandum 80-V, Council recommended against funding approval for the programs on the grounds that COU had declined to comment on certain other Council requirements for program funding. As outlined in Advisory Memorandum 82-I, Council subsequently referred the six programs, plus the University of Guelph's doctoral program in Veterinary Science, to Council's new Academic Advisory Committee. The Committee was asked by Council to advise on whether the programs did in fact meet Council's funding criteria, and on whether they were consistent with the aims, objectives and existing strengths of each institution. In Advisory Memorandum 82-I, Council advised the Minister on three of the seven programs.

Council has now considered the advice of its Academic Advisory Committee[1] respecting the following three new graduate programs:

1. Social Demography (PhD):	University of Western Ontario
2. Art History (MA):	Queen's University
3. Geology (MSc):	Lakehead University

Social Demography (PhD), University of Western Ontario

The University of Western Ontario's PhD program in Social Demography meets all of Council's funding criteria for new graduate programs (Advisory Memorandum 77-VII), and is consistent with the aims, objectives and existing strengths of the University. Council has carefully examined all of the financial implications related to formula funding of this program, and concludes that even in a time of economic constraint it should be deemed eligible for Government funding.

Accordingly, Council *recommends to the Minister:*

OCUA 82-14A
FUNDING FOR THE DOCTORAL PROGRAM IN SOCIAL DEMOGRAPHY AT THE UNIVERSITY OF WESTERN ONTARIO FOR 1982-83

THAT the PhD program in Social Demography at the University of Western Ontario be deemed eligible for formula support beginning in 1982-83, and that eligible enrolment, from 1980-81 on, be included in the moving average for the university.

Art History (MA), Queen's University

The MA program in Art History at Queen's University meets a student demand in this area and fills demonstrable job market needs. It is consistent with the aims, objectives and existing strengths of the institution. Council feels that even in a time of economic constraint it can justify recommending the program for formula funding support.

Accordingly, Council *recommends to the Minister:*

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[1] See attached appendices

> *OCUA 82-15*
> *FUNDING FOR THE MASTER'S PROGRAM IN ART HISTORY AT QUEEN'S UNIVERSITY FOR 1982-83*
>
> *THAT* the MA program in Art History at Queen's University be deemed eligible for formula support beginning in 1982-83, and that eligible enrolment, from 1980-81 on, be included in the moving average for the university.

Geology (MSc), Lakehead University

Lakehead University's MSc program in geology does appear to meet a student demand in Northwestern Ontario for this type of program. It also fills demonstrable job market needs. Council notes that, within Ontario, there are ten other master's programs in geology being offered and funded. In the case of the Lakehead program, however, Council believes that there are exceptional circumstances relating to regional importance, student demand and institutional appropriateness. An examination of these circumstances has convinced Council that the program should be funded.

The University's location within a rich and varied geological landscape in Northwestern Ontario and the importance and availability of many geology-oriented occupations within the area, provide exceptional regional circumstances for funding[2]. Council also believes that the program is consistent with the aims, objectives and existing strengths of the institution. For instance, Lakehead has a strong and vibrant undergraduate program in geology.

As mentioned, Council is prepared to recommend that Lakehead's new Master's program in geology be eligible for formula funding. At the same time, in light of Council's continuing commitment to the concept of institutional role differentiation, Council feels that it is proper to raise some questions about what should be the appropriate array of graduate offerings for a particular institution. Council, in the case of the master's program in geology, has decided to give considerable weight to Lakehead's argument for unique regional circumstances and institutional appropriateness. Council, therefore, supports the provision of formula funding for this program, but believes that it is only proper to do so, given the reality of general economic constraint, on the understanding that Lakehead University will prepare a comprehensive planning report on its graduate program offerings and submit it to Council. This report should take into consideration such matters as institutional appropriateness and role differentiation, the funding of graduate programs in an era of general economic constraint, and the needs of Northwestern Ontario. Until an acceptable report is received, Council will not recommend for funding any additional new graduate programs at Lakehead University.

Accordingly, Council *recommends to the Minister:*

> *OCUA 82-16*
> *FUNDING FOR THE MASTER'S PROGRAM IN GEOLOGY AT LAKEHEAD UNIVERSITY*
>
> *THAT* the MSc program in Geology at Lakehead University be deemed eligible for formula support beginning in 1982-83, and that eligible enrolment, from 1980-81 on, be included in the moving average for the university.

B. C. Matthews
Chairman
August 13, 1982.

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[2] See Council's funding criterion #2, Ontario Council on University Affairs, *Fourth Annual Report*, 1977-78, p. 58.

Appendix A

OCUA ACADEMIC ADVISORY COMMITTEE
Doctoral Program in Social Demography (PhD) University of Western Ontario-New Graduate Program Considered for Formula Funding

The 1980 Annual Report to Council from the Ontario Council on Graduate Studies (OCGS), an affiliate of the Council of Ontario Universities (COU), advised that the University of Western Ontario's doctoral program in Social Demography met Council's four funding criteria for new graduate programs. As Council's requirements concerning the questions of institutional appropriateness and the funding of new programs in a time of economic constraint had not been met, it recommended against formula funding for the program (Advisory Memorandum 80-V). Council subsequently referred the program to its Academic Advisory Committee.

The Academic Advisory Committee met on four occasions, and considered the program in light of Council's funding criteria (Advisory Memorandum 77-VII), and examined the question of whether the program was consistent with the "aims, objectives and existing strengths" of the University.
The Committee reviewed various documents relating to the program including:

- the OCGS Annual Report to OCUA, 1980
- OCUA Advisory Memorandum 80-V
- OCUA Advisory Memorandum 81-VII
- Calendar description of the program
- COU's annual compilation of graduate program macro-indicators
- ACAP's 1974 Discipline Assessment of Sociology
- Enrolment statistics,

and carefully applied each of Council's funding requirements. The Committee's finding's with regard to the program are summarized below:

1. NEED

The committee is satisfied that there will be a small and perhaps increasing need for graduates of a doctoral program in Social Demography, especially one that, in a multi-disciplinary environment, combines the technical aspects of demography with an understanding of the social, economic, political and geographic character of Canada.

Specialized demographic skills are in demand in the public and private sectors, both provincially and nationally. This subject matter is thought to be particularly important in Canada because of the substantial size of the post-war "baby boom", 1947-62. The demographic aspect of this "baby boom" has been seen to be enormous with respect to our health-care sector and sequentially with respect to the several components of the education sector. Current problems in finding enough jobs for young people and in providing enough housing for them, to take but two examples, are not unrelated to the size of the "baby boom". As the several cohorts of population born during the period 1947-1962, now aged 20 to 35 years, slowly become older, various sectors of economic, social and political activity will undoubtedly be as severely stressed as were the health and education sectors in the 1960's and 1970's, respectively. Well-trained demographers will help Ontario society plan effectively for the ongoing impact of this and other demographic characteristics of our population. They will assist in sorting out the effects of various public policies as provincial and national objectives are significantly affected by the demographics of the Canadian population.

2. UNIQUENESS

While the five doctoral programs in Sociology in Ontario all offer some course work in demography, the Committee is satisfied that none of these offers the degree of emphasis present in the University of Western Ontario's program. Half the course work and two of the four comprehensive exams required for the degree are in demography.

In addition, other universities recommend the program to students wishing to study demography at an advanced level. The Committee believes that no similar program in the field is available in Ontario.

3. APPRAISAL

The Committee is satisfied that the program has passed a rigorous appraisal and that no improvements were required at the time of appraisal.

4. ENROLMENT

In the current year, eight full-time students and one part-time student are registered in the program. Council's enrolment criterion has, therefore, been satisfied.

5. AIMS, OBJECTIVES, STRENGTHS

The University of Western Ontario's department of Sociology, has impressive strengths in demography. The University is also the site of the Population Studies Centre, formerly the Demography Laboratory, which is a centre for research in demography. The Sociology department has been able to attract substantial research grants from external sources, such as Statistics Canada. The Committee is satisfied that this new program is consistent with the aims, objectives and existing strengths of the University of Western Ontario.

6. FUNDING

The Committee, therefore, recommends that:

> The University of Western Ontario's PhD program in Social Demography, having satisfied all of Council's funding criteria and other requirements for new graduate programs, be recommended to the Minister as being eligible for formula funding support.

ACADEMIC ADVISORY COMMITTEE
May 18, 1982

Appendix B

OCUA ACADEMIC ADVISORY COMMITTEE

Master of Arts in Art History (MA), Queen's University – New Graduate Program Considered for Formula Funding

The 1980 Annual Report to Council from the Ontario Council on Graduate Studies (OCGS), an affiliate of the Council of Ontario Universities (COU), advised that the new MA program in Art History at Queen's University had satisfied Council's funding criteria for new graduate programs. COU declined, however, to comment on questions of institutional appropriateness and the funding by Government of such a program in a time of general economic constraint. Council, therefore, felt that it had no choice but to recommend against funding for the program in 1981-82 (Advisory Memorandum 80-V). Subsequently, in January 1982, the program was referred to Council's new Academic Advisory Committee.

The Academic Advisory Committee considered the new program in Art History on three separate occasions. In accordance with its "Terms of Reference", the Committee examined the program in light of Council's four funding criteria for new graduate programs (Advisory Memorandum 77-VII). It also considered the question of institutional appropriateness. The Committee reviewed several documents relating to the program, including:

- the OCGS Annual Report to OCUA, 1980
- OCUA Advisory Memorandum 80-V
- Calendar descriptions of the Art History programs at Queen's, Toronto and York
- enrolment and application statistics for the Queen's and Toronto Art History programs
- COU's Advisory Committee on Academic Planning's (ACAP) 1976 Discipline Assessment of Fine Art programs
- material from Queen's and Toronto, relating to professors, student thesis topics, course enrolments,

and carefully applied each of Council's four funding requirements. The Committee's findings are summarized below:

1. NEED

In its 1976 Discipline Assessment of Fine Arts, ACAP identified an urgent need in Ontario for a new master's program in Art History "capable of accommodating at least twelve to fifteen students per year"[1]. It reached this conclusion after examining statistics on applications, offers of admission and enrolments for the University of Toronto program in the History of Art. The figures showed that the University of Toronto was able to make only about thirty offers of admission. The situation is still the same today and a small number of qualified applicants still have to be turned away due to resource limitations.

The ACAP Assessment Report recommended that: "A master's program in art history which emphasizes Canadian and contemporary art be developed and initiated subject to favourable appraisal"[2]. This recommendation arose out of a "job market" survey, which showed that there was an "unfilled need for trained personnel, particularly in Contemporary and Canadian Art"[3]. The Committee is satisfied that this need still exists today on both a provincial and national level.

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1. ACAP 1976 Fine Arts Discipline Assessment, p. D-4.

2. *Ibid.*, p.5

3. *Ibid.*, p. D-4

2. UNIQUENESS

The Committee is satisfied that there is sufficient emphasis on Canadian Art in the Queen's University program to warrant it being termed "unique". Of the ten students enrolled in the program in 1981-82, six have chosen thesis topics in the Canadian Art area.

3. APPRAISAL

The Committee is satisfied that the program has passed a rigorous appraisal and at the time of appraisal was not found to require improvements.

4. ENROLMENT

Queen's University has certified that admissions to the program commenced prior to its being proposed for funding consideration. Council's enrolment criterion has, therefore, been satisfied.

5. AIMS, OBJECTIVES, STRENGTHS

The Committee believes that the MA program in Art History is consistent with the aims and objectives of Queen's University. The Committee also believes that the university has made a serious effort to strengthen its resources in the area of Canadian Art and that it will continue this effort.

6. FUNDING

The Committee, therefore, recommends to Council that:

> the MA program in Art History at Queen's University, having satisfied Council's funding criteria and other requirements for new graduate programs, be recommended to the Minister for formula funding support.

ACADEMIC ADVISORY COMMITTEE
May 18, 1982.

Appendix C

OCUA ACADEMIC ADVISORY COMMITTEE
Master of Science in Geology (MSc), Lakehead University New Graduate Program Considered for Formula Funding

The 1980 Annual Report to Council from the Ontario Council on Graduate Studies (OCGS), an affiliate of the Council of Ontario Universities (COU), advised that Lakehead University's MSc program in Geology had satisfied Council's funding criteria for new programs. COU declined, however, to comment on the questions of the appropriateness of the program being offered at Lakehead and whether or not the program should be funded in a time of general economic constraint. Council, therefore, recommended against formula funding for the program for 1981-82 (Advisory Memorandum 80-V), but subsequently decided to refer the program to Council's Academic Advisory Committee.

The Academic Advisory Committee discussed Lakehead University's new graduate program in Geology on four separate occasions. In accordance with its "Terms of Reference", the Committee examined the program in light of Council's four funding criteria for new graduate programs (Advisory Memorandum 77-VII). It also considered the question of institutional appropriateness. The Committee reviewed various documents relating to the program including:

- the OCGS Annual Report to OCUA, 1980
- OCUA Advisory Memorandum 80-V
- Calendar descriptions of the geology programs at Lakehead, Laurentian, Carleton, Ottawa
- *Geosciences in Canada, 1979, Part 1: Geology and Geophysics in Canadian Universities by* E.R.W. Neale and J. E. Armstrong for the Canadian Geoscience Council
- Enrolment statistics for graduate geology programs at Lakehead, Laurentian, Carleton and Ottawa
- COU's Advisory Committee on Academic Planning's 1973 Discipline Assessment of Solid Earth Science programs in Ontario,

and carefully applied each of Council's funding requirements. The Committee's findings are summarized below:

1. NEED
The Committee decided that there is a need for trained geologists in Ontario and throughout Canada. The Committee then considered whether or not another master's program in geology was needed in Ontario. Currently, including the program at Lakehead University, eleven institutions offer master's programs in geology. The Committee believes that the need for geology programs in Ontario is already well-served by the currently funded programs in the province.

2. UNIQUENESS
The two principal aspects of "uniqueness" considered by the Committee were the content of the program and the location of the institution.
As mentioned previously, ten other universities in Ontario offer master's programs in geology. Several of these, including Laurentian University, Carleton University, and the University of Ottawa, have particular strength in Pre-cambrian geology, an area which Lakehead University has emphasized in its curriculum. The Lakehead program does not appear to have an emphasis significantly different from other programs.

Before the introduction of the MSc program, students graduating from Lakehead University with undergraduate honours degrees in geology had no apparent difficulty in finding either employment in geology-oriented areas or opportunities for graduate study elsewhere. Since the program's inception, there have been 30 formal applications, 17 offers of admission and 14 registrants (1978-79 to 1981-82). Of the 14 registrants, 7 came from Thunder Bay[1] and so far 3 of them have graduated from the program. These application and enrolment statistics do not provide convincing evidence of strong regional demand for the program. The Committee's view is that the program is not of exceptional regional importance.

The Committee, therefore, concludes that the master's program in geology at Lakehead University does not meet Council's funding criterion with regard to uniqueness.

3. FUNDING

Having found that the MSc program in Geology at Lakehead University does not meet two of Council's funding criteria-need and uniqueness-the Committee recommends to Council that:

> the MSc program in Geology at Lakehead University, having not fully met Council's funding criteria and other requirements for new graduate programs, should not be recommended to the Minister as being eligible for formula funding support.

ACADEMIC ADVISORY COMMITTEE
June 8, 1982

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[1] I.e., graduated from a secondary school in Thunder Bay.

82-VII Undergraduate Program Approvals

On November 2, 1981, the Minister of Colleges and Universities announced, in a letter to the executive heads of the institutions and organizations concerned, the temporary suspension of "current policy regarding the funding of new undergraduate programs until the response to the report of the Committee on the Future Role of Universities has been issued".

The purpose of this memorandum is to: (1) identify the programs that should continue to require formal approval by the Minister for funding (and those that need not), and (2) describe the processes and criteria that Council should apply in assessing specific program proposals, where required. Council is proposing that: professional programs continue to require funding approval; "quasi-professional" and "special" programs require specific funding approval; and "core" Arts and Science programs be funded automatically at the appropriate formula weight. In light of this proposal, Council believes that the Minister should terminate the present "freeze" arrangement.

Prior to November 2, 1981,institutions had been free to establish new undergraduate programs and have them funded automatically, with certain exceptions: (1) new professional programs; (2) new health sciences programs; (3) new Ryerson and Ontario College of Art programs; (4) new programs requiring extra-formula support; and (5) new programs which did not have a formula weight assigned and which required a formula weight above 1.0 (unless they were included in an existing weight category above 1.0). Under the terms of the Minister's announcement of November 2, 1981, however, Council's positive recommendation was now required before any new undergraduate program could become eligible for formula funding support.

The Minister's announcement, which became known as the undergraduate program "freeze", applied to all new undergraduate programs - any programs not offered as of November 2, 1981 or in which there were no students enrolled as of November 2, 1981. The only exemptions from the "freeze" were to be programs adjudged to be in areas of critical manpower demand, or where, because of exceptional circumstances, it did not appear feasible to hold up the introduction of a program.

Following the Minister's announcement, Council proceeded as follows:

1) Programs in any of the five categories listed above were handled through the procedures already in place for approval of such programs.
2) New programs and program changes, which had previously not required approval for funding, were scrutinized by Council. Specifically, approval was required for: all new program proposals; any repackaging of existing courses under a new name; and any change in a program's name which at the same time involved the addition of a course. Council established an exemption criterion, in addition to the Minister's, that had to be met. The additional criterion involved a judgement as to whether a new program significantly broadened the institution's existing base of program offerings. Council delegated authority to the Chairman of Council to recommend exemptions from the "freeze". Difficult cases were to be referred to Council as a whole and all decisions would be forwarded to Council for information.
3) In order to obtain approval under the "freeze", programs at Ryerson had to continue to satisfy the existing funding approval procedures as set out in Advisory Memorandum 78-IV, and as well were subject to the procedures described above.

As of this date, twelve institutions have submitted 108 proposals for new programs and/or program changes. The vast majority of these proposals have not been what could be termed "new" programs. They generally did not involve a broadening of an institution's existing base of program offerings. As a result, Council has recommended exemptions in 94 cases. The other fourteen programs are still under review. The amount of paperwork and staff-time involved on the part of both the institutions and the Council has been considerable.

Council notes that the Minister advised on November 2, 1981 that the "freeze" would continue until Government issued a response to the Report of the Committee on the Future Role of Universities in Ontario. This response had been expected "early in the new year (1982)".[1] In fact, in responding to the proposal for the "undergraduate freeze", the Chairman of Council advised the Minister that:

> In view of the current uncertainty about the future of the system, Council has no objection to the imposition of a short-term funding freeze on new undergraduate programs. We would view such action as a temporary measure pending the Government's response to the recommendations made by the Committee on the Future Role of Universities in Ontario. On the latter subject, Council has asked me to reiterate our feeling that the Government should respond as quickly as possible to the C.F.R.U.O. recommendations.[2]

It now appears that this response will be further delayed. Council remains concerned, however, about the continuing need for some specific approval mechanism for "quasi-professional" and "special" programs (see Section III).

I. Undergraduate Professional Programs

On August 1, 1974, the Minister of Colleges and Universities stated in a letter to Council that: "The Ministry will only approve funding of a new professional program after OCUA recommends the program". This marked the beginning of Council's involvement with undergraduate professional programs. Council commented on these programs in *The Ontario University System: A Statement of Issues*, as follows:

> Undergraduate professional programs are expensive to operate. The applied training received by students in professional programs naturally tends to foster the expectation that graduates from these programs will find employment in their fields. It is, therefore, in the public interest for Council to expect COU and the individual institutions to monitor developments in this area as they affect the university, the professions and the student.[3]

Given the above considerations, Council's involvement in this area is appropriate and desirable.

In fulfilling its responsibility to advise the Minister on the funding of new undergraduate professional programs, Council has consulted closely with the Council of Ontario Universities (COU) and with the professions and institutions directly involved. While specific criteria, which must be satisfied before funding is recommended, have not been formulated (as, for instance, in the case of new graduate programs), Council has developed the following list of standardized questions, the answers to which are considered in reaching a recommendation on the funding of a specific professional program:

> Are there similar programs in Ontario?
>
> Are the existing programs at or near capacity?
>
> Will the new program jeopardize the economic viability of any existing program?
>
> Is there evidence that the proposed program will meet a specific student demand?

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[1] Letter from the Minister of Colleges and Universities, November 2, 1981.

[2] Letter from Dr. W. C. Winegard to the Honourable Bette Stephenson, Minister of Colleges and Universities, October 19, 1981.

[3] Ontario Council on University Affairs, *Fifth Annual Report*, 1978-79, p.27.

> Are positions available for graduates of existing programs?
>
> Is there evidence of local support for the program?
>
> Is there co-operation between neighbouring institutions (universities and/or community colleges)?
>
> Does the program have support from the profession?
>
> Does the subject matter of the program have any particular significance to the region surrounding the university?[4]

To date, Council has dealt with three programs in such a fashion: Mining Engineering and Mineral Processing Engineering at Laurentian University (Advisory Memorandum 77-V) and Geological Engineering at Waterloo University (Advisory Memorandum 81-IV). In addition, Council's Academic Advisory Committee is currently considering a Computer Systems Engineering program which has been established at Carleton University.

After considering the Waterloo program, COU informed Council that:

> First, we have not yet reached a firm position on whether it is appropriate or feasible for COU to make judgements on individual academic programmes in relation to institutional roles. . . Secondly, even if COU were to undertake to make such judgements it has as yet no adequate mechanism (such as ACAP) for assembling data and making informed judgements on undergraduate programmes. In these circumstances our Council has found itself dependent largely on comments from those whose legitimate vested interests are not necessarily compatible with the interest of Waterloo, an approach that is clearly open to criticism. Our advice, therefore, does not include a specific recommendation for or against funding.[5]

Council, in light of the foregoing, engaged a team of external consultants to evaluate the program.

In January 1982, following further discussions with COU on the matter of undergraduate and graduate program approvals, the Academic Advisory Committee of Council was created. One of its responsibilities involves reviewing proposals for new undergraduate professional programs, and recommending to Council thereon.

II. Ryerson Programs

By letter of October 14, 1975 the Minister of Colleges and Universities referred to Council the task of advising on the "continued funding of unauthorized degree programs at Ryerson." After meeting with representatives of Ryerson, Council suggested, in Advisory Memorandum 76-V, that program approval mechanisms should be developed to:

> . . . provide a framework within which all offerings, including certificates and diplomas as well as degrees, might be reassessed on a cyclical basis so as to ensure an explicit balance among societal needs, the creation of new programs and the continuation of existing programs.[6]

As well, mechanisms for evaluating new programs had to be developed.

The following requirements were eventually established for consideration of Ryerson programs:

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[4] Ontario Council on University Affairs, *Fourth Annual Report*, 1977-78, p.45.

[5] Letter from Dr. E. J. Monahan to Dr. W. C. Winegard, December 22, 1980, p.2.

[6] Ontario Council on University Affairs, *Third Annual Report*, 1976-77, p.43.

- assurance of a program's academic excellence, to be given by the Academic Council of Ryerson
- assurance of the financial viability of the program, to be evidenced by approval from the Ryerson Board of Governors
- a Program Assessment Committee report on, and certification of, societal need.[7]

These requirements are applied to existing degree and new degree and diploma programs. Existing diploma and certificate and new certificate programs are not subject to these requirements.

The Program Assessment Committees, whose members are all external to the Ryerson community, are asked to consider such matters as:

- the level of student demand;
- the employment opportunities for graduates of the particular program under consideration;
- whether similar programs are already available at other institutions; and
- whether the proposed program is compatible with the role of a polytechnic and consistent with the evolution and character of Ryerson.[8]

The reports of the Committees are considered by both the Ryerson Board of Governors and Academic Council before the programs are submitted to Council for consideration.

In summary, Council relies on a rigorous mechanism internal to Ryerson, which produces a combined internal/external judgement of the quality of, and the need for, each program assessed.

III. Undergraduate Special and Quasi-Professional Programs

In Council's 1980 paper, *System Rationalization: A Responsibility and an Opportunity*, a concern was expressed about the need for a policy and procedure for funding approval of "special" and "quasi-professional" programs:

> There remains a third category of undergraduate programs which consists of programs which are neither "core" Arts and Science subjects nor strictly professional disciplines. Council here refers to these programs as "special" and "quasi-professional" programs. As an example of a "special" program, Council cites African Studies - clearly, there is not sufficient need for every university in Ontario to develop the expertise and resources to offer programs in this area. A mechanism is needed to determine where such programs of limited demand should be offered. In the 'quasi-professional" area, Council would include programs, such as Physical Education, which neither lead to a professional degree in the usually accepted sense nor form part of an institution's Arts and Science offerings. In addition, Council would include in this category programs in subjects, such as Human Biology and Accounting, which may develop into professional programs. Council is aware that many such programs have developed, and may continue to develop, to the point where for all practical purposes they are recognized professional programs. Since professional programs are subject to ministerial approval for funding purposes, Arts and Science subjects which could develop into professional programs must be given closer scrutiny than those in the 'core" Arts and Science programs.
>
> COU should monitor the development of these "special" and "quasi-professional" subject areas with the intention of avoiding unnecessary duplication and of identifying the de facto development of professional schools which should be referred to Council. Some coordination is necessary here and Council would prefer that COU assume this coordination

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[7] Ontario Council on University Affairs, *Fifth Annual Report*, 1978-79, p.74.

[8] *Ibid.*, p.73.

> authority. If COU does not do so, it may be necessary for the Minister to require that all "special" and "quasi-professional" programs be submitted for funding approval.
>
> ...Council would clearly prefer to see the undergraduate enterprise develop as a self-regulating one through COU...Council recognizes the difficulty of a voluntary association of universities assuming the authority for program planning. However, time is short and unless there is clear evidence that COU is willing and able to accept this responsibility, the authority will have to reside elsewhere.[9]

In the two years since the release of *System Rationalization*, Council has not seen clear evidence that COU is willing to accept the responsibility as outlined. At the same time, Council is convinced that in the public interest there is a need for Ministerial funding approval of "special" and "quasi-professional" programs. A measure of control in regard to funding of special and quasi-professional programs is warranted because of the normally higher level of resources required and the greater vocational orientation involved. Council is, therefore, prepared to accept the responsibility of recommending on the advisability of funding undergraduate "special" and "quasi-professional" programs.

IV. Proposed Procedures for the Funding of New Undergraduate Professional, Special and Quasi-Professional Programs

Council suggests that new programs at the undergraduate level, in Groups A and B below, should require funding approval:

- professional programs (Group A), and
- quasi-professional and special programs *including program majors or options of a quasi-professional or special nature, which may be affiliated with, or based in, a basic discipline area* (Group B).

New programs not falling into either one of these two groups should be considered as programs in basic disciplines, which might be expected to be offered at any university. They should, as they were before November 2, 1981, be funded automatically by Government.

The program areas in which funding approval would be required are as follows:[10]

Group A

Agriculture
Architecture
Engineering and Applied Sciences
Journalism
Law
Library Science
Medicine and Health

Group B

Business, Commerce and Public Administration
Community, Urban and Regional Planning
Criminology
Education and Physical Education
Fine Arts
Health Studies
Home Economics and Food Studies

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[9] Ontario Council on University Affairs, *Seventh Annual Report*, 1980-81, p.124.

[10] See Appendix A for detailed lists.

Human and Family Studies
Labour Studies
Language and Literature Studies other than English and French
Physical Education
Social Work

Council, in reaching a decision on individual new program funding approvals for Groups A and B would consider the following:

1. The proposed curriculum for the program.
2. The academic quality of the program.
3. The financial viability of the program.
4. The projected enrolment for the program over at least a five-year period.
5. The extent of proposed cooperation between or among post-secondary institutions in offering the program.
6. The need for the program in terms of both student and societal demand.
7. Whether the program is significantly different from other similar programs in the province.
8. The extent of local, regional support for the program.
9. How appropriate it is for the program to be offered at a particular university.
10. Whether the program should be funded even in a time of economic restraint.

The university, in forwarding the program to Council for funding approval, would be expected to provide Council with documentation respecting information falling under any of the categories listed above.

IV. a) Procedures for Group A Programs

Upon receipt of a new program in Group A, Council would inform COU and the individual institutions in the system that it is considering the program, and invite them to comment on the program. Council would refer the proposal and any comments thereon and other relevant documentation to its Academic Advisory Committee (AAC).

The Academic Advisory Committee, in formulating its recommendations to Council, would review all of the information provided by a university and any other information from any source such as documentation relating to categories seven, eight and nine. The Committee might, for instance, wish to see a list of similar programs in Ontario together with their course contents, actual enrolments, and enrolment capacities; have a statement from the appropriate professional organization on the need for the proposed program in Ontario; and the existing and projected demand for graduates of the program.

In developing a recommendation, the Committee (and Council) would normally accept the certification of academic quality of the proposed program, as provided by the appropriate governing body of the university.

Council would consider the original program submission and the report of the AAC, and evaluate both in light of category ten above.

IV. b) Procedures for Group B Programs

For new Group B programs, Council would inform COU and the institutions in the system that a proposal had been received, and would circulate the proposal and relevant documentation for comment. If significant concerns were expressed by COU, the institutions and/or within Council itself about the appropriateness of a proposal, then Council might refer the proposal to the Academic Advisory Committee for further consideration, and would seek further information as needed. In most instances it is expected that Council would deal with the proposal directly. Council would reach a recommendation on the proposed program taking into consideration the Committee report, if any, and with due regard to category ten above.

V. Proposed Procedures for the Funding of New Programs in the Basic Disciplines

Council believes that there should be no specific approval necessary for the funding of new programs in the basic discipline areas. The current undergraduate "freeze" should be removed in the case of "core" Arts and Science programs. Council maintains its position, as stated in *System Rationalization*, that institutions should have "as much autonomy as possible in the development of "core" Arts and Science programs.[11] These are programs in disciplines which are basic and appropriate to the academic ethos and character of any university. Each university, with respect to these programs, should be permitted to initiate new programs or modify existing programs as it sees fit, and should have them funded automatically at the appropriate formula weight.

Programs in this group would be:

- Biological Sciences
- English Language and Literature
- French Language and Literature
- General Arts and Science
- Humanities
- Mathematical Sciences
- Physical Sciences
- Social Sciences
- Theology

VI. Ryerson Polytechnical Institute and Ontario College of Art Programs

Ryerson Polytechnical Institute and Ontario College of Art programs should continue to be reviewed according to existing funding approval mechanisms.

VII. Conclusion

Council believes that the policies and procedures as outlined in this Advisory Memorandum will clarify any existing confusion in the area of undergraduate program approvals. Furthermore, it will provide an adequate check on unnecessary proliferation of programs and undesirable duplication in the universities and will safeguard the public interest in the funding of these programs.

Accordingly, Council *recommends to the Minister:*

OCUA 82-17
REMOVAL OF THE "FREEZE" ON NEW UNDERGRADUATE PROGRAMS

THAT the "freeze" on new undergraduate programs, as announced by the Minister on November 2, 1981 be terminated.

OCUA 82-18
POLICIES AND PROCEDURES ON APPROVAL OF NEW UNDERGRADUATE PROGRAMS

THAT the policies and procedures on formula funding approval of new undergraduate programs be as set out in this memorandum, and that, therefore:

a) Formula funding for new undergraduate professional, quasi-professional and special programs be approved only after Council recommends the programs.

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[11] Ontario Council on University Affairs, *Seventh Annual Report*, 1980-81, p.61.

b) That undergraduate programs in basic disciplines, as defined in this memorandum, be funded automatically at the appropriate formula weight.

c) That Ryerson Polytechnical Institute and Ontario College of Art programs continue to be reviewed in accord with existing funding approval policies and procedures.

B. C. Matthews
Chairman
August 13, 1982

Appendix A

DETAILED LISTING OF PROGRAMS IN EACH GROUP[12]

Group A

Agriculture
Architecture
Dental Surgery
Dentistry
Engineering
  - Agricultural
  - Ceramic
  - Chemical
  - Civil
  - Computer
  - Electrical
  - Fuels and Materials
  - Geological
  - Industrial
  - Management
  - Manufacturing
  - Mechanical
  - Metallurgical
  - Mining
  - Nuclear
  - Physics
Forestry
Forest Technology
Horticulture
Journalism
Landscape Architecture
Law
Library Science
Materials Science
Medicine
Metallurgy
Nursing
Nursing Education
Occupational Therapy, Physiotherapy and Physical Therapy
Optometry
Pharmacy
Survey Science
Veterinary Medicine

Group B

Accounting, Accountancy
Actuarial Science
Agricultural Business
Art Education, Conservation
Clothing, Textiles, Design and Fashion
Commerce
Community, Urban and Regional Planning
Criminology

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[12] Program Listings derived from *Horizons 1982-83: A Guide to Post-Secondary Education in Ontario*. Ministry of Colleges and Universities, 1982. The lists are of titles of programs currently offered by universities in Ontario. The lists are illustrative rather than all-inclusive.

Dance
Dietetics
Education - Elementary
  - Secondary
  - Special
Family Studies, Family Science
Film, Cinema
Finance
Fine Art, Studio Art, Painting
Gerontology
Health Studies
Home Economics, Food Studies
Industrial, Labour Relations
Kinesiology
Labour Studies
Language and Literature Studies
  - African
  - Asian
  - Caribbean
  - Celtic
  - Chinese
  - Eskimo
  - German
  - Greek
  - Hindi
  - Indian
  - Islamic
  - Italian
  - Japanese
  - Korean
  - Latin
  - Latin-American
  - Middle East
  - Native
  - Near East
  - Russian
  - Sanskrit
  - Slavic
  - Soviet
  - Spanish
Law Enforcement
Legal Studies
Management, Management Science, Business Management
Marketing
Mathematics - Accounting, Business Administration Options
Mathematics - Teaching Option
Medical Illustration
Municipal Administration
Music
Personnel and Administrative Studies
Pharmacology
Physical Education
Public Administration
Public Service Studies
Recreation
Resource Management, Environmental Studies

Social Welfare
Social Work
Systems Design
Translation, Interpretation
Urban Studies, Urbanism
War Studies

82-VIII A New University for Northeastern Ontario

Northeastern Ontario encompasses a large area extending from Lake Superior on the West to the Quebec border on the East and from Bracebridge on the South to the shores of James Bay on the North. The total population (over 600,000 inhabitants) is widely dispersed throughout the area, with major centres located on or near major highways linking Bracebridge and Sault Ste. Marie through North Bay and Sudbury and from North Bay to Hearst through New Liskeard, Kirkland Lake, Cochrane and Kapuskasing.

At the present time, there is one provincially-assisted university in Northeastern Ontario: Laurentian University of Sudbury. In addition, there are three affiliated colleges: Algoma College at Sault Ste. Marie, 300 kilometers to the west of Sudbury; Nipissing College at North Bay, 125 kilometers east of Sudbury; and Le Collège de Hearst, more than 600 kilometers north of Sudbury.

All four institutions receive grants directly from Government. Each has its own local Board of Governors and is financially independent of the others. At the same time, however, the academic programs of all four institutions are under the control of the Senate of Laurentian University of Sudbury, Laurentian being the only one of the four with formal degree-granting power.

In this Advisory Memorandum, Council suggests that Government re-structure the four existing institutions in Northeastern Ontario to form a single multi-campus university with a mandate to provide university education to the anglophone and francophone population throughout the region. Following extensive study of the existing array of institutions and programs, Council has reached the conclusion that the re-structuring proposed is necessary to effectively and efficiently maintain and enhance opportunities for university-level education in this part of Ontario.

Historical Synopsis

The present range and variety of university-level programs and institutions in Northeastern Ontario is the result of more than 75 years of continuous development. A number of dedicated community leaders have played a crucial role in establishing and nurturing both the existing institutions and their antecedents. Without the commitment and foresight displayed by these individuals the current array of programs would not have been possible. A summary of the developments in each of the four centres follows.

In North Bay, The North Bay Normal School (est. 1909) became the North Bay Teacher's College in 1953. Independently, in 1959, a private corporation known as Northeastern University was established "to continue the task of the University of Toronto in the region" (the University of Toronto had begun offering extension courses there in 1948). Northeastern University, which began offering Year I of an Arts and Science program in 1961, became Nipissing College in 1965 and affiliated with Laurentian University of Sudbury in 1967. In 1973, North Bay Teacher's College became the Faculty of Education of Nipissing College.

In Sudbury, Laurentian University of Sudbury was established in 1960. It has three federated institutions, each of which has a religious denominational affiliation. The University of Sudbury (est. 1957), which federated with Laurentian University in 1961, was originally Le College du Sacre-Coeur (est. 1913) and as such had been affiliated first with the University of Ottawa and later with Laval University. Thorneloe University, established by the Anglican Church in 1961, federated with Laurentian University in 1963. Huntington University was established by the United Church in 1960 and immediately federated with Laurentian. The University of Sudbury, Thorneloe University and Huntington University (none of which has degree-granting powers, except in Theology) do not receive operating grants directly from Government.

In Hearst, Le Seminaire de Hearst, established in 1953 as a private secondary school for francophones, became a classical college affiliated with the University of Sudbury in 1957 and began offering courses leading to a University of Sudbury Bachelor of Arts degree. In 1965 Le Collège de Hearst affiliated with Laurentian University and, in 1970, the College discontinued its secondary school level programs, retaining post-secondary programs only.

In Sault Ste. Marie, Algoma College was incorporated and affiliated with Laurentian University of Sudbury in 1965 and began offering Year I, II and III Arts and Science programs in 1967, 1971 and 1972 respectively.

Although much has been accomplished by these institutions in extending the range of university-level programs in Northeastern Ontario, several problems have become evident. For example, the participation rate remains much lower than that in Southern Ontario and a large fraction of potential students choose to attend a Southern Ontario university. Further, despite their best intentions, Laurentian University of Sudbury, the University of Sudbury and Le Collège de Hearst have been unable to provide a satisfactory range of courses in the French language.

In addition, shortcomings in the existing structural arrangements have become apparent. There is an unsatisfactory distribution of academic programs and faculty resources among the institutions and the off-campus programs offered by the institutions are not effectively co-ordinated. Furthermore, because each of the four institutions is financially independent and since government grants are tied to student enrolment, the institutions often perceive themselves as being in competition for students. The circumstances in which Algoma, Hearst and Nipissing find themselves are especially difficult because academic decisions are made by the Laurentian Senate, while they each must bear full financial responsibility for their own survival. In addition, because of their small size and hence limited range of academic programs, the institutions have not been able to maintain adequate student enrolment, particularly in some non-professional programs.

In *The Ontario University System: A Statement of Issues* (September, 1978), Council, in a general discussion of "satellite campus rationalization", stated that:

> . . . Laurentian and its affiliated university colleges might be integrated into a University of Northeastern Ontario, with four, or even more, campuses to serve the needs of the region. Faculty would be assigned, and programs offered, on a pro-tem basis in response to local needs. In this way the satellite campuses, and off-campus operations, could continue to provide the same, or better, educational opportunities for the region that the affiliates now serve, but the institution as a whole would have more flexibility to respond to changes in student demand. This type of approach would not necessarily reduce the cost of providing university education in Northeastern Ontario. However, it would be in keeping with other efforts to rationalize the system and might well avoid future problems of regional excess capacity or program proliferation should the affiliates continue to develop along individual institutional lines.[1]

Council was concerned about the interrelationships among these institutions and the structural difficulties that seemed to be limiting the effectiveness of the collectivity in providing university education throughout Northeastern Ontario.

Recent Developments

Following the Council hearings at Algoma College in May of 1981, at which all of the institutions were represented, Council appointed a consultant to chair a Committee composed of the four executive heads. This Committee was asked to prepare a report on changes in structure that might be necessary or desirable. In exploring the possible options for structural change in the university system in Northeastern Ontario, the Committee was asked to keep the following objectives in mind:

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[1] OCUA, *Fifth Annual Report*, 1978-79, p. 30.

(1) To extend the range of high quality university programs available in Northeastern Ontario;

(2) To make these programs more accessible to the widely dispersed anglophone and francophone population of the region by the most cost-effective means;

(3) To respond to the changing educational needs of the region with new program initiatives and new methods of delivery;

(4) To enhance the attractiveness of university study in Northeastern Ontario, not only to prospective students from the region but also to those from the southern part of the Province; and

(5) To maintain and strengthen the cultural impact of the university presence in the communities in which campuses are now located.[2]

In October 1981, the Committee (with Dr. A.N. Bourns as Chairman) presented a report entitled *A Proposal for Structural Change in the University System of Northeastern Ontario.* The report recommended that a University for Northeastern Ontario be established to include the existing institutions located at Sault Ste-Marie (Algoma College), North Bay (Nipissing College), Hearst (Le Collège de Hearst) and Sudbury (Laurentian University of Sudbury and its federated universities). The report was widely discussed in each of the institutions and was the subject of a Council hearing in Hearst in May, 1982. Several written briefs were also received by Council.

In its brief, the Nipissing Board of Governors disagreed with many of the premises that prompted the study and indicated that the proposal for re-structuring was unacceptable. The Board recognized, however, that change is necessary and recommended that exploration of alternatives, in terms of academic and administrative re-organization, continue. Specifically, the Board suggested that there should be a revision of the affiliation agreements with Laurentian University.

Algoma College indicated its support of the proposal to establish a single multi-campus university for Northeastern Ontario which would include all four institutions. At the same time, however, Algoma did express reservations concerning some of the structural details.

Le Collège de Hearst did not agree with the proposal, mainly because it feared that, in the new university, Hearst would lose its effectiveness in serving the Francophone population.

Laurentian University of Sudbury endorsed the overall proposal but made some suggestions for changes in detail and concluded that:

> . . . it would be rational to transform the existing institutions and their inter-relationships into a single multi-campus university and that such a structure would be an effective vehicle for higher education in this region of the North, provided the necessary resources were available.[3]

In a joint statement to Council in April 1981, the faculty associations of the four institutions had expressed the view that the status quo was unsatisfactory but recommended:

> that any efforts to further integrate the existing university structures within the region recognize the need to maintain an effective core of high-calibre resident faculty on the existing campuses.[4]

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[2] A.N. Bournes, *et al*, *A Proposal for Structural Change in the University System of Northeastern Ontario*, October, 1981, p. 2.

[3] Laurentian University, *The Laurentian Response to Proposals for Structural Change in the University System of North Eastern Ontario Contained in the Report of the Committee of Executive Heads Under the Chairmanship of Dr. A. N. Bourns Consultant on North Eastern Ontario to the Ontario Council on University Affairs*, May, 1982, p. 18.

[4] Faculty Associations of Laurentian University, Algoma College, Le College de Hearst and Nipissing College, *A Joint Statement to the Ontario Council on University Affairs*, April, 1981, p. 2.

Le Conseil Etudiant du Collège de Hearst and the Nipissing College Alumni Association also have presented briefs to Council supporting the positions of their respective institutions vis-a-vis the *Proposal for Structural Change*.

At the conclusion of the Council Hearings in May 1982, representatives of each institution urged Council to develop a recommendation on the next step as soon as possible. It became apparent that further discussion among the institutions was necessary but it would only be fruitful after Council, and presumably the Minister, had made some statement, at least in principle, about the proposal to re-structure.

Council's Proposal
Following further review of the various briefs and the discussions at the hearings, Council has reached the conclusion that Government should take steps toward the establishment of a new university for Northeastern Ontario with a mandate to enhance and expand the existing opportunities for university-level programs in Northeastern Ontario. This new university should include as integral parts, Algoma College, le Collège de Hearst, Laurentian University of Sudbury and Nipissing College.

Council suggests that Government announce its intention to establish this new university. Government should then appoint, as soon as possible, a committee to draft an Act for the new, yet to be named, university. This "Act Committee" should be composed of people from the existing institutions and their local communities, as well as people from other communities in Northeastern Ontario.

The Act should ensure that:

(1) The new university would initially have campuses at Sault Ste. Marie, Hearst, North Bay and Sudbury and could, in the future, have other centres in other communities as needs and resources dictate or allow;

(2) Algoma College, le Collège de Hearst, Laurentian University of Sudbury and Nipissing College would become integral parts of the new university with the existing Act or Letters Patent under which the present institutions operate being repealed;

(3) The University of Sudbury, Thorneloe University and Huntington University would be federated with the new university;

(4) There would be one Board of Governors and one Senate of the new university;

(5) There would be a local Board of Trustees for each campus to provide advice on the development of local campus activity and to perform executive functions as assigned to it by the Board of Governors of the new university (specifically, the local Boards would continue to have control over the funds that have been accumulated by Algoma, Nipissing, Hearst and Laurentian, respectively, as of the date of proclamation of the Act of the new university);

(6) All existing contractual agreements and obligations would be assumed by the new institution and all physical assets of the four existing institutions would become the property of the new university, with the exception of certain designated assets and accumulated funds;

(7) There would be a President and other executive officers of the new university and there would be a Principal for each campus, with the campus principals reporting to the President of the university;

(8) The new university, through its Board and President, would allocate its human and physical resources among the various campuses to ensure the most effective and efficient utilization of these resources;

(9) The new university, through its Senate and Board of Governors, would have responsibility for providing university-level education throughout Northeastern Ontario and for offering and promoting the programs on the several campuses as needs indicate and as resources allow; and

(10) The new university would be bilingual and have a special mandate to offer and promote courses and programs in the French and English languages.

Council recognizes that there are many organizational matters (e.g., composition of Board and Senate, functions and reporting relationships of academic and administrative officers) that would not necessarily be included in the University Act itself. Yet these matters need to be resolved, at least in principle, before a proposed Act could be put forward. Council suggests that these matters be addressed in a "Memorandum of Understanding" to be prepared by the Act Committee simultaneously with the drafting of the Act itself.

The "Memorandum of Understanding" would serve as a guide to the new university in arranging its internal affairs once the Act was proclaimed. The Memorandum should include statements on the following *inter alia:*

1. The role of the Boards of Trustees for each campus;
2. The role of the Principal of each campus;
3. The special role of the new university in providing university-level education for the Francophone population in Northeastern Ontario; and
4. The role of the university officers and the constituent campus officers in program planning, course scheduling and faculty assignments, academic appointments and performance evaluations, budget development and approval, expenditure control, registrarial functions, liaison, information and recruitment, library and physical plant operation, student affairs and university alumni affairs.

Many of these matters were addressed in the report *A Proposal for Structural Change in the University System of Northeastern Ontario*. Council has noted the proposals contained in that report to resolve these and other matters and believes that those proposals form a good basis from which the Act Committee could develop a "Memorandum of Understanding".

Financial Considerations

The re-structuring to form a single University for Northeastern Ontario may result in savings in the cost of providing existing university programs. However, Council recognizes that there are financial implications in the proposal to establish a new university for northeastern Ontario with a mandate to maintain and enhance the opportunities for university-level education available to the widely-dispersed population of the region. It is not possible to be specific at this time in terms of the amount of special funding required, but special funding would be necessary for at least five purposes: (1) the "one-time" costs associated with initial "start-up" expenses; (2) the extra costs of continuing administration, communication and travel to operate effectively a widespread multi-campus university, as compared to a single-campus university; (3) the higher costs (per student) because of low-enrolment classes and the "up-front" costs of developing new, innovative means of delivery of instruction and instructional materials to students widely dispersed throughout the region; (4) the higher costs associated with the university's mandate for bilingualism; and (5) the "one-time" costs of adjusting salaries and benefits to ensure equity within the new university.

Council believes that the needs of Northeastern Ontario are so great, and the circumstances of geography, population and language so unique, that an appropriate amount of special funding should be made available to the new university. Such funding would be conditional, of course, on the development of more effective programs. Also, the need for special funding would have to be demonstrably justified.

Accordingly, Council *recommends to the Minister and Lieutenant-Governor in Council:*

> *OCUA 82-19*
> *ESTABLISHMENT OF A NEW UNIVERSITY IN UNIVERSITY IN NORTHEASTERN ONTARIO*
>
> *THAT*, in accordance with the considerations noted in this memorandum, the establishment of a new University of Northeastern Ontario be approved in principle and that a committee be struck to draft an Act for the new institution and a "Memorandum of Understanding" to serve as a guide for the period of transition.

B. C. Matthews
Chairman
August 13, 1982

82-IX Differential Fees for Visa Graduate Students

On February 19, 1982, the Minister of Colleges and Universities announced that, for the academic year 1982-83, the formula fees for newly admitted visa students would be $2,700 (for two terms) in arts and science and other undergraduate programs with a formula weight of 1.5 or less (Type A), $4,400 (for two terms) in professional and other higher-weighted undergraduate programs (Type B), and $6,600 in Type B graduate programs (on a three-term basis). These fees are 2.8 times higher than those for Canadian and Landed-Immigrant students at the lower-weighted undergraduate level and 4.6 times those at the higher-weighted undergraduate and graduate levels. At the same time, the Minister indicated that for 1983-84 the formula fees for visa students would increase by a further one-third. For the purposes of this policy, a "newly admitted" visa student is one who registered for the first time in a particular program after September 1, 1982.

The purpose of the 1982-83 increased fee rates, according to the Minister's letter, is to ensure that visa students will pay "a higher proportion, than formerly, of the costs of their education". The proposed 1983-84 fee rates would, in turn, constitute "a level which represents two-thirds of cost".[1] Thus the stated purpose of the increases is to require visa students, through their fees, to pay a larger proportion of the costs of their education.

In this Memorandum, Council presents some information on visa student enrolment in Ontario universities and recommends that: (1) the further increase in fees for visa graduate students in 1983-84 be delayed for at least one year so that the impact of the higher fees for 1982-83 can be evaluated, and (2) visa graduate students registering for the first time in a Doctoral program in 1982-83, having completed or transferred from a Master's degree in the same field at the same institution, be exempted from the 1982-83 fee increase.

Recent Trends in Visa Student Enrolment

As is shown in Table 1, during the period 1977-78 to 1981-82 there has been a significant increase in both the number of visa students and in the proportion of total enrolment which visa students constitute. These increases, however, have occurred primarily at the undergraduate level where, for example, full-time visa student enrolment has increased by 72.8% and the proportion has increased from 4.7 percent to 7.7 percent. Part-time undergraduate visa student enrolment, while it has more than doubled, constitutes only 0.3 percent of total undergraduate enrolment (on an FTE basis).

At the graduate level, full-time visa student enrolment has increased since 1977-78 by a much smaller percentage (18.4%) than at the undergraduate level. However, full-time graduate visa student enrolment accounts for a much larger proportion of total full-time graduate enrolment. In 1981-82, full-time visa graduate student enrolment accounted for 20.5 percent of total full-time graduate enrolment. Part-time graduate visa student enrolment has increased only slightly (by 6.2 percent) and has remained constant in terms of proportion of total part-time graduate enrolment (at around 3 percent).

In terms of the geographic origin of full-time visa students, there are marked contrasts between the "mix" at the undergraduate level and that at the graduate level. As Table 2 illustrates, in 1981-82, citizens of Hong Kong and Malaysia constituted the two largest sources of full-time undergraduate visa students, representing 54.2 percent

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[1] Letter from the Honourable B. Stephenson to Dr. W.C. Winegard, February 18, 1982, p. 2.

Table 1

VISA STUDENT ENROLMENT

	Full Time Undergraduate			Part-time Undergraduate			Full time Graduate			Part-time Graduate			Total Full Time Equalivalent		
	VISA	TOTAL	% VISA	VISA	TOTAL	% VISA	VISA	TOTAL	% VISA	VISA	TOTAL	% VISA	VISA	TOTAL	% VISA
Fall, 1981	11,664	151,860	7.7	1,892	80,352	2.4	3,307	16,117	20.5	396	11,859	3.3	15,625	194,323	8.0
Fall, 1980	9,030	144,973	6.2	1,383	76,399	1.8	2,849	15,262	18.7	392	12,078	3.3	12,386	185,514	6.7
Fall, 1979	7,481	139,660	5.4	1,123	73,054	1.5	2,644	14,947	17.7	407	12,055	3.4	10,562	178,924	5.9
Fall, 1978	7,038	138,972	5.1	886	68,138	1.3	2,754	15,414	17.9	404	12,122	3.3	10,161	177,317	5.7
Fall, 1977	6,751	142,671	4.7	823	66,659	1.2	2,794	15,655	17.9	373	12,325	3.0	9,887	180,893	5.5

NOTES: 1. Total excludes Unknown and Not Reported.

2. FTE calculated by dividing PT by 3.5 and adding to FT.

SOURCE: USIS 100104101, 2, 3 and 4

of all students. Taken together, the six largest sources of full-time undergraduate visa students (Hong Kong, Malaysia, the United Kingdom, Singapore, the United States and Trinidad, Tobago) comprise 75.6 percent of the total.

At the graduate level, however, the concentration is not nearly so marked. In 1981-82, citizens of the United States and India (the two largest sources of full-time graduate visa students) comprised 25.7 percent of the total. The six largest sources of full-time graduate students (the United States, India, the United Kingdom, Hong Kong, Mexico and Nigeria) represented only 44.9 percent of all such students.

Differential Fees for Visa Students

In January, 1977, the Government introduced differential tuition fees for foreign students. In the first year, visa student fees were set 119 percent higher than the comparable fee for domestic students. The purpose of this action was to ensure that "a greater share of the financial burden of educating foreign students be shifted from the shoulders of Ontario citizens".[2] As is shown in Table 3, this differential remained fairly constant until 1982-83 and is slated to increase even further in 1983-84.

During the past five years, the differential fees have provided an ever-increasing source of revenue for the university system. As Table 4 illustrates, total foreign fee supplements have increased from $2.7 million in 1977-78 to $15.7 million in 1981-82, an increase of almost 485 percent. It should be noted as well that, primarily as a result of the differing enrolment trends mentioned above, the share of the total foreign fee supplements accounted for by graduate visa student fees has declined from 30.7 percent in 1977-78 to 21.9 percent in 1981-82.

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[2] Letter from the Honourable H. Parrott to Dr. J. S. Dupré, May 4, 1976.

Table 2

FULL-TIME VISA STUDENTS: COUNTRY OF CITIZENSHIP

	Fall, 1977				Fall, 1981				Increase/Decrease			
	Under-Graduate		Graduate		Under-Graduate		Graduate		Under-Graduate		Graduate	
	#	(%)	#	(%)	#	(%)	#	(%)	#	(%)	#	(%)
AUSTRALIA	34	(0.5)	52	(1.8)	43	(0.4)	50	(1.5)	+ 9	(26.5)	2	(3.8)
BAHAMAS	78	(1.1)	3	(0.1)	83	(0.7)	7	(0.2)	+ 5	(6.4)	4	(133.3)
BANGLADESH	3	(0.04)	60	(2.1)	6	(0.1)	69	(2.0)	+ 3	(100.0)	9	(15.0)
BRAZIL	16	(0.2)	42	(1.5)	15	(0.1)	38	(1.1)	− 1	(6.3)	4	(9.5)
CEYLON	3	(0.04)	18	(0.6)	14	(0.1)	49	(1.4)	+ 11	(366.7)	31	(172.2)
CHINA	116	(1.7)	16	(0.6)	40	(0.3)	66	(1.9)	− 76	(65.5)	50	(312.5)
GHANA	33	(0.5)	39	(1.3)	40	(0.3)	54	(1.6)	+ 7	(21.2)	15	(38.5)
GREECE	54	(0.8)	38	(1.3)	114	(1.0)	81	(2.4)	+ 60	(111.1)	43	(113.2)
GUYANA	187	(2.7)	26	(0.9)	121	(1.0)	31	(0.9)	− 66	(35.3)	5	(19.2)
HONG KONG	1,505	(21.9)	100	(3.5)	3,261	(27.7)	170	(5.0)	+1,756	(116.7)	70	(70.0)
INDIA	42	(0.6)	172	(5.9)	68	(0.6)	291	(8.6)	+ 26	(61.9)	119	(69.2)
INDONESIA	152	(2.2)	3	(0.1)	190	(1.6)	13	(0.4)	+ 38	(25.0)	10	(333.3)
IRAN	56	(0.8)	49	(1.7)	222	(1.9)	45	(1.3)	+ 166	(296.4)	4	(8.2)
ISRAEL	34	(0.5)	22	(0.8)	41	(0.3)	45	(1.3)	+ 7	(20.6)	23	(104.5)
JAMAICA	189	(2.8)	26	(0.9)	88	(0.7)	28	(0.8)	− 101	(53.4)	2	(7.7)
JAPAN	24	(0.3)	47	(1.6)	43	(0.4)	51	(1.5)	+ 19	(79.2)	4	(8.5)
MALAYSIA	313	(4.6)	39	(1.3)	3,128	(26.5)	58	(1.7)	+2,815	(899.4)	19	(48.7)
MEXICO	17	(0.2)	59	(2.0)	27	(0.2)	104	(3.1)	+ 10	(58.8)	45	(76.3)
NIGERIA	121	(1.8)	93	(3.2)	148	(1.3)	93	(2.7)	+ 27	(22.3)		NC
PAKISTAN	23	(0.3)	41	(1.4)	16	(0.1)	54	(1.6)	− 7	(30.4)	13	(31.7)
SINGAPORE	127	(1.8)	16	(0.6)	611	(5.2)	34	(1.0)	+ 484	NS(381.1)	18	(112.5)
TAIWAN	19	(0.3)	61	(2.1)	27	(0.2)	33	(1.0)	+ 8	(42.1)	28	(45.9)
TRINIDAD, TOBAGO	243	(3.5)	25	(0.9)	409	(3.5)	37	(1.1)	+ 166	(68.3)	12	(48.0)
TURKEY	9	(0.1)	17	(0.6)	10	(0.1)	50	(1.5)	+ 1	(11.1)	33	(194.1)
U.A.R. OF EGYPT	6	(0.1)	56	(1.9)	13	(0.1)	82	(2.4)	+ 7	(116.7)	26	(46.4)
U.K., ENGLAND	1,806	(26.3)	219	(7.6)	1,028	(8.7)	284	(8.4)	− 778	(43.1)	65	(29.7)
USA	565	(8.2)	805	(27.8)	468	(4.0)	582	(17.1)	− 97	(17.2)	223	(27.7)
VENEZUALA	71	(1.0)	39	(1.3)	88	(0.7)	29	(0.9)	+ 17	(23.9)	10	(25.6)
OTHERS (SPECIFIED)	1,002	(14.6)	624	(21.6)	1,231	(10.4)	696	(20.5)	+ 229	(22.9)	+ 72	(11.5)
NR + UNSPECIFIED	185	(2.7)	188	(6.5)	191	(1.6)	175	(5.1)	+ 6	(3.2)	− 13	(6.9)
TOTAL	6,865	(100.0)	2,892	(100.0)	11,784	(100.0)	3,399	(100.0)	+4,919	(71.7)	+ 507	(17.5)

NOTE: Totals differ from Table 1 primarily because of the USIS rounding option which takes any cell count less than 5 and enters 3.

Table 3

FORMULA TUITION FEES, 1976-84
($)

	Undergraduate[1]		Graduate[2]		Differential[3]
	Domestic[4]	Visa	Domestic	Visa	
1983-84 (Est.)					
In Program[5]	1,002	2,090	504.00	1,045	+ 108.6%
Type A	1,002	3,600	504.00	1,800	+ 259.3%
Type B	1,002	5,867	504.00	2,934	+ 485.5%
1982-83					
In Program[5]	954	1,990	480.00	995	+ 108.6%
Type A	954	2,700	480.00	1,350	+ 183.0%
Type B	954	4,400	480.00	2,200	+ 361.2%
1981-82	851	1,773	427.00	887	+ 108.3%
1980-81	774	1,612	388.00	806	+ 108.3%
1979-80	720	1,500	360.00	750	+ 108.3%
1978-79	685	1,500	342.50	750	+ 119.0%
1977-78	685	1,500	342.50	750	+ 119.0%
1976-77	585	585	292.50	292.50	0.0%

NOTES:

1. Undergraduate formula tuition fees are expressed as two-term fees.
2. Graduate formula tuition fees are expressed as one-term fees.
3. The differential is expressed as the amount by which the Visa fee exceeds the domestic fee as a percentage of the domestic fee.
4. The undergraduate domestic fee used is the general Arts and Science fee.
5. For 1982-83 and 1983-84 all "non-exempt" foreign students are placed in one of the following three categories:

   In Program: all non-exempt foreign students who registered in their program of study prior to September 1, 1982,

   Type A: all non-exempt foreign students who registered after September 1, 1982 in a program with a formula weight of 1.5 or lower, and

   Type B: all non-exempt foreign students who registered after September 1, 1982 in a program with a formula weight higher than 1.5.

SOURCE: Ministry of Colleges and Universities, *Operating Formula Manual* (various years).

Table 4

FOREIGN FEE ADJUSTMENTS

	Undergraduate	Graduate	Total
1977-78	$1,860,156(69.3%)	$825,819(30.7%)	$2,685,975(100.0%)
1978-79	$3,490,129(69.8%) + 87.6%	$1,507,031(30.2%) + 82.5%	$4,997,160(100.0%) + 86.0%
1979-80	$5,101,916(73.8%) + 46.2%	$1,815,204(26.2%) + 20.4%	$6,917,120(100.0%) + 38.4%
1980-81	$8,386,307(75.7%) + 64.4%	$2,692,171(24.3%) + 48.3%	$11,078,478(100.0%) + 60.1%
1981-82	$12,242,912(78.1%) + 46.0%	$3,438,271(21.9%) + 27.7%	$15,681,183(100.0%) + 41.5%
1981-82 1977-78	+558.2%	+316.3%	+483.8%

NOTES: 1. Foreign fee adjustments represent the excess of foreign over normal program formula fees.

2. Bracketed percentages represent proportion of the total while underlined percentages represent the increase over the previous year.

SOURCE: Ministry of Colleges and Universities, *UAR Reports*

Even with higher differential fees, Council believes that the trend toward increasing enrolment of visa students at the undergraduate level may continue. Council is concerned, however, that the higher differential fees may result in a significant decline in the number of visa students at the graduate level. Furthermore, existing informal exchange arrangements and "favoured treatment" with and by foreign institutions, particularly in the United States, may be jeopardised by fee levels which are not only higher than those for domestic students, but may also be higher than those charged Canadian students by foreign institutions.

Council acknowledges the concern of Government that, in times of financial constraint, there should be limits on the amount of public funds expended on behalf of visa students. At the same time, Council believes that Government and the universities should make some contribution to the education of students from abroad not only on academic grounds but also in the interests of Ontario, Canada and the universities themselves. This is particularly true at the graduate level.

Thus, Council is not prepared to recommend any modification of the fees policy, as announced by the Minister in February of 1982, for visa undergraduate students. The concerns which Council has about the impact of higher fee levels on visa graduate students relate to the special contribution that graduate students make in terms of research and scholarly activity.

The enrolment of visa students at the graduate level offers a number of benefits because:

(1) Universities are dedicated to the pursuit of knowledge, scholarship and research– activities that transcend national boundaries. While Ontario universities have a primary responsibility for training Ontario and

Canadian graduate students, that responsibility should not be limited to citizens of this country.

(2) Graduate level education is enhanced by the presence of a diverse group of faculty and students who bring to the task a variety of educational backgrounds, conceptual frameworks and methodologies.

(3) In some academic areas there is a shortage of qualified Canadian students willing to undertake graduate study (e.g., computer science, engineering and certain natural and life sciences). This lack of Canadian candidates jeopardizes the future of advanced research in these areas. Thus availability of visa students to pursue graduate work in these areas helps to maintain the strength of the research enterprise on which Ontario's industrial development depends.

Beyond the direct benefits that accrue from the presence of a certain number of visa graduate students in Ontario universities, there are other considerations. Foreign students, having studied here, frequently move into positions of authority in their home countries. Their "Canadian" experience may naturally lead them to look to Canada and Ontario for products and services needed in their home country. Furthermore, Ontario and Canada owe a "debt from the past". When advanced studies were largely non-existent in Ontario, many Ontarians and other Canadians were accepted as graduate students abroad, often without having to pay a differential fee. Subsequently, they returned to play their part in building and maintaining the strengths of our universities at the current high level.

In addition, reciprocal informal exchange and favourable treatment arrangements which exist with many foreign institutions represent an indirect, but nonetheless significant, benefit. They represent less immediate considerations resulting from the current levels of visa student enrolment which must be recognized as both valuable and continuing. They constitute a "debt from the present" and, as such, should be nurtured and encouraged.

Adjustment of Current Policy

Full and accurate data are not yet available on the impact of the 1982-83 fee increase on the enrolment of visa graduate students. Furthermore, it will be some time before an accurate assessment of the impact of the increases can be made. As Table 5 shows, only seven of the sixteen institutions with graduate programs (and six of the eleven with doctoral programs) have implemented the full visa graduate formula fee for 1982-83. In addition, some institutions have established special scholarship and/or bursary plans to partially offset the higher fees for some visa graduate students.

Nevertheless, the impact in 1982-83 appears to be quite significant. The graduate visa student fees have increased by an average of almost 160% (see Table 6). In addition, preliminary enrolment estimates for 1982-83 provided by COU, indicate that there will be a 1.5 percent reduction in the total number of full-time visa graduate students. This compares unfavourably with a 16.1 percent increase in 1981-82 and a 7.8 percent increase in 1980-81.

Until accurate data on actual enrolment are available, Council is not prepared to propose any "roll-back" of the fees level implemented in 1982-83. However, Council does suggest that the further increase in fees for visa graduate students proposed for 1983-84 not be implemented until the impact of the 1982-83 fee rates can be determined.

Accordingly, Council *recommends to the Minister:*

OCUA 82-20
DELAY OF PROPOSED 1983-84 INCREASE IN FEES FOR VISA GRADUATE STUDENTS

Table 5

GRADUATE FOREIGN STUDENT FEES, 1982-83
(Formula Fee + $2,200 for one term)

Institution	Actual Fee	% of Formula Fee
Brock	$1,667	75.8
Carleton	$2,420	110.0
Guelph	$2,100	95.5
Lakehead	$2,200	100.0
Laurentian	$2,100	95.5
McMaster	$2,200	100.0
Ottawa	$2,420	110.0
Queen's	$1,667	75.8
Toronto	$1,667	75.8
Trent	$1,667	75.8
Waterloo	$2,100	95.5
Western	$2,200	100.0
Wilfrid Laurier	$2,078	94.5
Windsor	$2,100	95.5
York	$2,420	110.0
OISE	$2,500	113.6

SOURCE: Ministry of Colleges and Universities

Table 6

INCREASES IN GRADUATE VISA STUDENT FEES

Institution	Actual Fee 1981-82	Actual Fee 1982-83	Difference
Brock	$2,310	5,000	+ $2,690 (116.5%)
Carleton	$2,436	6,960	+ $4,524 (185.7%)
Guelph	$2,388	6,300	+ $3,912 (163.8%)
Lakehead	$2,445	6,660	+ $4,155 (169.9%)
Laurentian	$2,365	5,300	+ $3,935 (166.4%)
McMaster	$2,410	6,178	+ $3,768 (156.3%)
Ottawa	$2,430	6,878	+ $4,448 (183.0%)
Queen's	$2,310	5,000	+ $2,690 (116.5%)
Toronto	$2,224	5,000	+ $2,776 (124.8%)
Trent	$2,310	5,000	+ $2,690 (116.5%)
Waterloo	$2,358	6,300	+ $3,942 (167.2%)
Western	$2,330	6,600	+ $4,270 (183.3%)
Wilfrid Laurier	$2,361	6,234	+ $3,873 (164.0%)
Windsor	$2,538	6,300	+ $3,762 (148.2%)
York	$2,300	6,820	+ $4,520 (196.5%)

NOTE: Differences between Tables 5 and 6 are a result of different information being provided to two different sources.

SOURCE: Council of Ontario Universities

THAT, the proposed further increase in fees for visa graduate students in 1983-84 be delayed for at least one year so that the impact of the higher fees for 1982-83 may be evaluated.

Fees Level for Visa Students Registering for the First Time for a Doctoral Program Following a Masters Program in the Same Field at the Same Institution
In announcing the visa fees increase for 1982-83, the Minister indicated that it would apply only to students admitted after September 1, 1982. Thus a student currently pursuing a Master's degree who, upon completion, will be registering for a Doctoral program, will be required to pay the new higher fee upon such registration.

In many disciplines, a Master's degree program leads directly to a Doctoral program. Indeed, often the Master's research project becomes an integral part of the Doctoral research project and, in some instances, students proceed to a Doctorate without actually taking a Master's degree. Council believes, therefore, that students registering for a Doctoral degree after having been registered for a Master's degree in the same discipline in the same institution should not be assessed the 1982-83 increase in fees.

Accordingly, Council *recommends to the Minister:*

OCUA 82-21
FEES LEVEL FOR VISA GRADUATE STUDENTS REGISTERING FOR DOCTORAL DEGREE FOLLOWING A MASTER'S DEGREE

THAT, visa students registering for a Doctoral degree immediately after having been registered in a Master's degree in the same discipline in the same university prior to September 1, 1982, not be assessed the fee increase announced for 1982-83 for newly-admitted students.

B. C. Matthews
Chairman
November 19, 1982

82-X Graduate Program Funding – Symbolic Anthropology (MA), University of Western Ontario

In 1980, the Council of Ontario Universities (COU) recommended to Council six new graduate programs for funding consideration. In Advisory Memorandum 80-V Council recommended against funding approval for the programs on the grounds that COU had declined to comment on certain Council requirements for program funding. As outlined in Advisory Memorandum 82-I, Council subsequently referred the six programs, plus the University of Guelph's doctoral program in Veterinary Science (forwarded to Council by COU in 1981), to Council's new Academic Advisory Committee. The Committee was asked by Council to advise on whether the seven programs met Council's funding criteria for new graduate programs, and on whether the programs were consistent with the aims, objectives and existing strengths of the institutions. In Advisory Memorandum 82-I Council advised the Minister on three of the seven programs, and in Advisory Memorandum 82-VI provided advice on three others.

Council has now considered the advice of its Academic Advisory Committee[1] respecting the new graduate program in Symbolic Anthropology (MA) at the University of Western Ontario.

The University of Western Ontario s MA program in Symbolic Anthropology meets all of Council's funding criteria for new graduate programs (Advisory Memorandum 77-VII), and is consistent with the aims, objectives and existing strengths of the University. Council takes careful note of the conclusions of the Academic Advisory Committee and the external academic expert who was consulted concerning this new program, and concludes that, even in a time of economic constraint, the program should be deemed eligible for formula funding support from Government.

Accordingly, Council *recommends to the Minister:*

> *OCUA 82-23*
> *FUNDING FOR THE MASTER'S PROGRAM IN SYMBOLIC ANTHROPOLOGY AT THE UNIVERSITY OF WESTERN ONTARIO*
>
> THAT the MA program in Symbolic Anthropology at the University of Western Ontario be deemed eligible for formula support beginning in 1982-83, and that eligible enrolment, from 1980-81 on, be included in the moving average for the university.

B. C. Matthews
Chairman
November 19, 1982

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[1] See attached Appendix.

Appendix A

OCUA ACADEMIC ADVISORY COMMITTEE

Master of Arts Program in Symbolic Anthropology, University of Western Ontario - New Graduate Program Considered for Formula Funding.

The 1980 Annual Report to Council from the Ontario Council on Graduate Studies (OCGS), an affiliate of the Council of Ontario Universities (COU), advised that, in COU's opinion, the new MA program in Symbolic Anthropology at the University of Western Ontario had satisfied Council's funding criteria for new graduate programs. COU declined, however, to comment on questions of institutional appropriateness and the funding by Government of such a program in a time of general economic constraint. Council, therefore, felt that it had no choice but to recommend against funding for the program in 1981-82 (Advisory Memorandum 80-V). Subsequently, in January 1982, the program was referred to Council's new Academic Advisory Committee.

The Academic Advisory Committee considered the new program in Symbolic Anthropology on three separate occasions. In accordance with its "Terms of Reference", the Committee examined the program in light of Council's four funding criteria for new graduate programs (Advisory Memorandum 77-VII). It also considered the question of institutional appropriateness and reviewed several documents relating to the program, including:

- the OCGS Annual Report to OCUA, 1980,
- OCUA Advisory Memorandum 80-V,
- Calendar descriptions of the Anthropology programs at Western, Trent, Toronto, McMaster, Carleton and York,
- COU's Advisory Committee on Academic Planning's (ACAP) 1974 Discipline Assessment on Anthropology,
- supplementary correspondence from COU, dated May 13, 1982, relating to the question of program uniqueness,
- enrolment statistics,

and applied each of Council's funding criteria.

The Committee had considerable difficulty with the question of the program's "uniqueness" and, therefore, recommended to Council that an expert external consultant be engaged to study the program. Council approved the Committee's request on March 10, 1982, and Professor Eric Schwimmer (Department of Anthropology at Université Laval) agreed to submit a report on the question of the program's uniqueness. Professor Schwimmer received the same documentation which members of the Committee had received, and his report greatly aided the Committee in reaching its conclusions concerning the program.
The Committee's findings are summarized below:

1. NEED

The University of Western Ontario projected that enrolment in the MA program in Symbolic Anthropology would be between four and eight students per year. In 1981-82 two part-time and five full-time students were enrolled in the program. The Committee believes that a variety of employment opportunities exist for graduates of Symbolic Anthropology. In a memorandum to OCGS, the Anthropology Discipline Group stated that: "...training in Symbolic Anthropology (including experience in linguistic and other content analysis of oral traditions, etc.) are increasingly being sought by the legal field. Other members of the group noted other fields in which the importance of such a training is being increasingly recognized".[1]

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[1] Memorandum to Dr. H. Yates, Executive Vice-Chairman, OCGS, from the Anthropology Discipline Group, October 23, 1979, p.3.

Professor Schwimmer concluded that students will find employment in teaching and governmental positions, and "as the chief training of Western graduates will have been in the interpretation of intercultural behavioural signs, they ought to be very employable outside universities as well".[2] After carefully reviewing all the documentation at its disposal, the Committee agreed that a demand for graduates of the program exists and is satisfied that there is a provincial and national need for a specialized program in Symbolic Anthropology.

2. UNIQUENESS

In his report of June lst, 1982, Dr. Schwimmer stated:

> Western is "unique" with regard to their proposed methodology. Their interpretative "textual" approach to culture is talked about at many universities but practiced in few, all outside Ontario. If students are to learn it, they need to be exposed to it, to the exclusion of other approaches, for some considerable time, and this is possible only at Western.[3]

In its response to COU's request for comments on the Symbolic Anthropology program at the University of Western Ontario, McMaster University stated: "...our own MA program relates only marginally to the Western proposal, and students here would not obtain an in-depth study of the kind described".[4] Those other universities offering graduate programs in the field of Anthropology, while perhaps having the potential, do not plan to offer a similar program. The Committee is satisfied that the Master's program in Symbolic Anthropology at the University of Western Ontario differs significantly from other programs in the Province.

3. APPRAISAL

The Committee is satisfied that the program has passed a rigorous academic appraisal, at the time of which it was found not to require improvement.

4. ENROLMENT

Enrolment in the MA program in Symbolic Anthropology at the University of Western Ontario began in September, 1979 with one part-time and five full-time students. Council's enrolment criterion has therefore been satisfied.

5. AIMS, OBJECTIVES AND STRENGTHS

In considering the aims, objectives and existing strengths of the University, the Committee noted the emphasis placed on cognitive anthropology and linguistics in the department's undergraduate program. Such an emphasis provides a solid foundation upon which to build a specialized master's program in Symbolic Anthropology. The Committee is satisfied that the program is consistent with the aims, objectives and existing strengths of the University of Western Ontario.

6. FUNDING

The Committee, therefore, recommends to Council that:

> the MA Program in Symbolic Anthropology at the University of Western Ontario, having satisfied Council's funding criteria and other requirements, be recommended to the Minister for formula funding support.

ACADEMIC ADVISORY COMMITTEE
October 28, 1982

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[2] *Symbolic Anthropology at Western*, Report to OCUA by Professor Eric Schwimmer, June 1, 1982, p.17.

[3] *Ibid.*, p.17.

[4] Letter from Dean D. Shaw, McMaster University, to Dr. H. Yates, dated July 19, 1979.

82-XI Funding for Twenty Existing Degree Programs at Ryerson Polytechnical Institute

In Advisory Memorandum 78-IV, which was approved by the Minister of Colleges and Universities on February 28, 1979, Council established a mechanism for the consideration of existing degree and new degree and diploma programs at Ryerson Polytechnical Institute. This mechanism consists of:

> ...a recommendation from Ryerson supported by Academic Council's approval of the academic quality of a program, the Board of Governor's assurance of the financial viability of the program and the Program Assessment Committee's report on and certification of societal need.[1]

Ryerson, in February of 1980, submitted four new degree programs for funding approval under the terms of the new procedures. The reports of the Program Assessment Committees which were submitted for the four new programs were, however, incomplete - they certified "societal need" but did not provide the evidence in support of certification that Council had expected. Nevertheless, in Advisory Memorandum 80-III, Council recommended approval of these new programs but noted that "some confusion exists as to the procedure to be followed in arriving at the Program Assessment Committees' estimations of societal need". To eliminate this confusion Council advised that:

> ...Council will insist that more complete documentation be provided by Ryerson when next it seeks approval for funding of an existing or new program. In particular, Council will require that the report of the Program Assessment Committee include the following information:
>
> (a) a list of all institutions, organizations, agencies and corporations whose opinions on need were sought by the Committee,
> (b) the formal response from those groups listed in (a), and,
> (c) the judgement of the Committee based upon (b) and its own knowledge.[2]

On June 30, 1982, in accordance with Advisory Memorandum 78-IV as clarified by Advisory Memorandum 80-III, Ryerson submitted sixteen existing degree programs for funding approval and then, on November 2, 1982, submitted a further four existing degree programs. Thus, in this Memorandum, Council reports on its consideration of the documentation submitted in support of the twenty programs and makes a recommendation concerning funding approval. In addition, Council comments on a question of interpretation relating to Advisory Memorandum 78-IV.

The Programs

Council has reviewed the material submitted by Ryerson and has concluded that, for each of the twenty programs, the conditions for funding approval have been met. Each program has been approved by Ryerson's Academic Council with respect to academic quality. Each program's financial viability has been attested to by Ryerson's Board of Governors and the societal need for each program has been certified by the appropriate Program Assessment Committee. These assurances are supported by the material required by Council and, in particular, by the PAC reports, which now satisfy the requirements outlined in Advisory Memoranda 78-IV and 80-III.

Accordingly, Council *recommends to the Minister:*

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[1] Ontario Council on University Affairs, *Fifth Annual Report*, 1978-79, p. 74.

[2] Ontario Council on University Affairs, *Seventh Annual Report*, 1980-81, p. 124.

OCUA 82-24
FUNDING FOR EXISTING DEGREE PROGRAMS AT RYERSON POLYTECHNICAL INSTITUTE

> *THAT* the following programs be deemed eligible for continued formula support:
>
> - Bachelor of Applied Arts - Early Childhood Education
> - Bachelor of Applied Arts - Food, Nutrition, Consumer and Family Studies
> - Bachelor of Applied Arts - Geography
> - Bachelor of Applied Arts - Hospitality and Tourism Management
> - Bachelor of Applied Arts - Interior Design
> - Bachelor of Applied Arts - Journalism
> - Bachelor of Applied Arts - Photographic Arts
> - Bachelor of Applied Arts - Radio and Television Arts
> - Bachelor of Applied Arts - Secretarial and Administrative Studies
> - Bachelor of Applied Arts - Social Work
> - Bachelor of Applied Arts - Urban and Regional Planning
> - Bachelor of Business Management
> - Bachelor of Technology - Architectural Science
> - Bachelor of Technology - Chemical Engineering
> - Bachelor of Technology - Civil Engineering
> - Bachelor of Technology - Electrical Engineering
> - Bachelor of Technology - Graphic Arts Management
> - Bachelor of Technology - Industrial Engineering
> - Bachelor of Technology - Laboratory Science
> - Bachelor of Technology - Mechanical Engineering
> - Bachelor of Technology - Photographic Arts

Council notes that there remains one existing degree program, Survey Engineering Technology, which has not yet been submitted. Ryerson has advised that "documentation on the program evaluation process for this program will be withheld until further analysis and planning are completed - probably by the Spring of 1983".[3]

Internal Program Review

In Advisory Memorandum 78-IV, Council made the following statement:

> To ensure continuing relevance to societal needs, a review of each program offering should be carried out by Ryerson at intervals of no more than seven years.[4]

Recently, concern has been expressed that the extensive program approval procedures outlined in Advisory Memoranda 78-IV and 80-III would be required for all existing programs at seven-year intervals. In response to this concern, Council wishes to clarify its position.

In Advisory Memorandum 80-IV ("The Role of Ryerson Polytechnical Institute"), Council stated its belief that Ryerson's programs:

> ...should continue to be more oriented towards the practical and the "immediately useful" than the universities' arts and science programs and, for that matter, the universities' programs in established professional disciplines. By offering such programs, which appeal to those students more

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[3] Letter from Dr. B. Segal to Dr. B. C. Matthews, November 8, 1982.

[4] Ontario Council on University Affairs, *Fifth Annual Report*, 1978-79, p. 74.

> oriented towards the immediate utilization of practical knowledge, Ryerson contributes to the development of Ontario's industrial/commercial base. Ryerson's programs should continue to relate directly to the market place; indeed, Ryerson's programs should fill either a current or anticipated market need or they should not exist.[5]

In this connection, Council went on to note the existence of Program Advisory Councils (currently known as Advisory Committees) and to suggest that they might play an active role in ensuring the continued practical relevance of Ryerson's programs.

Council feels very strongly that Ryerson should have a formal, structured internal program review process and that this process should be supported by the effective utilization of the Advisory Committees. It should be primarily focussed on the question of "current or anticipated market need", but must also deal with the other two criteria: academic quality and financial viability. Council does not consider it necessary for Ryerson's internal program review process to be as extensive or as rigorous as that required for the original funding approval of new degree or diploma programs. It does, however, believe that all existing degree and diploma programs should be subject to periodic review and that the results of such evaluations should be reported to Council on a regular basis. The nature of the review process will, in the near future, be the subject of discussions between Ryerson and Council.

B. C. Matthews
Chairman
December 10, 1982

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[5] Ontario Council on University Affairs, *Seventh Annual Report*, 1980-81, p. 127.

82-XII Compulsory Ancillary Fees

On May 5, 1982, the Minister of Colleges and Universities wrote to the Chairman of Council "regarding the matter of ancillary fees which are charged by the universities". In her letter, the Minister cited a number of examples of recent or proposed new ancillary fees which, because they are ancillary rather than tuition fees, would "not be included in the limit of formula fee plus 10%". As compulsory fees, however, they would be covered by the Ontario Student Assistance Program (OSAP) for students eligible for support under the Program. Thus the Ministry would be "providing additional contributions, albeit indirectly, to the capital and operating costs of the universities". The Minister went on to state:

> . . . I am concerned that the time may have come for the government to take direct action with respect to compulsory ancillary fees charged by the universities. I would appreciate receiving advice from OCUA regarding the appropriate government position in this area.[1]

In this Memorandum, therefore, Council examines the question of the need for Government restrictions on compulsory ancillary fees and the matter of appropriate OSAP policy with regard to such fees.

Identifying Ancillary Fees

On May 12, 1982, the Chairman of Council wrote to the Executive Director of the Council of Ontario Universities (COU) requesting information on the ancillary fees being charged by the universities. Subsequently, COU surveyed its member institutions and submitted to Council , on August 25, 1982, a report on the results of that survey.

In its report, COU defined ancillary fees (which it called "incidental" fees) as:

> . . . any charge imposed or administered by a given institution or one of its constituent parts, in addition to regular tuition fees, which a student was required to pay upon registration or in order to fulfill the requirements of the academic pro gram in which he or she was registered.[2]

These were then categorized in terms of a) "general" (or "across-the-board") fees charged to all students regardless of their program of study, and b) "program-specific" fees charged only to students enrolled in certain courses or programs.

The COU submission subdivided general ancillary fees into three classes: a) one-time only fees (such as convocation or thesis-binding fees), b) penalty or user fees (e.g., late registration, transcripts, parking, identity card replacement, etc.), and c) fees related to student activities and services. Of these, only c) are of direct concern as the other two types are either not compulsory or are relatively insignificant in terms of cost. Thus throughout this Memorandum the term "general ancillary fees" will refer only to c), "fees related to student activities and services".

In this restricted sense, therefore, the major types of general ancillary fees, and the average level of each for 1982-83, include the following:

a) health services (average: $15 per year),
b) athletics (average: $35 per year),
c) student association (average: $43 per year), and
d) miscellaneous (from $2 for an ID card to a $95 College Fee).

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[1] Letter from the Honourable Dr. B. Stephenson to Dr. B. C. Matthews, May 5, 1982, p.p. 2-3.

[2] Council of Ontario Universities, *Incidental Fees*, August 25, 1982, p. 1.

A detailed summary of general ancillary fees, by institution, was presented in the COU submission. This is reproduced as Table 1 of the Appendix.

For program-specific ancillary fees, the major types, and the range within each for 1982-83, are as follows:

a) laboratory, including consumable supplies/materials, fees ($3 to $381 per course),
b) field trips ($10 to $1,000 per course),
c) fine arts fees ($25 to $145 per course; or $390 per year),
d) special registration fees ($20 to $209 per year), and
e) miscellaneous (from $2.50 for a student professional society to $2,550 for a Dental Kit).

Detailed information on program-specific ancillary fees, by institution, is provided in Table 2 of the Appendix.

Council notes that the COU submission concerning ancillary fees implies that it is easy to categorize these fees. It is evident, however, that significant differences exist among institutions in terms of the definitions applicable to the various kinds of ancillary fees. In some cases different services are subsumed under fees with similar titles; while in others, variously identified fees are employed to support identical services. This situation is particularly noticeable with regard to program-specific ancillary fees, but is relevant to general ancillary fees as well (for example, the University of Toronto's "Special Fee" for Hart House is essentially a "University Centre Fee").

In addition, it should be noted that, in some cases, an ancillary fee is charged to support certain services in one institution while, in another institution, the student bears the cost directly. For example, in certain cases, lab manuals are provided for students and an ancillary fee is charged to cover the costs; in other cases, the students are required to purchase the lab manuals through the university's bookstore. The costs borne by the students in both instances may be identical, but the method of assessment is quite different. Similarly, some institutions may have failed to report program-specific fees charged directly by departments. For example, Brock University is listed in the COU submission as having no program-specific fees (see Table 2 of the Appendix). However, the calendar descriptions for a number of visual arts courses at Brock note that: "A lab fee of $25.00 will be charged".[3]

In general, however, Council believes that the COU submission is useful in the identification and categorization of the compulsory ancillary fees being charged by the universities. While the data may be somewhat inadequate, the submission provides a fairly representative view of both the level of fees and the types of fees currently in existence.

Current Tuition Fee Policy

Traditionally, tuition fees have been viewed as the students' contribution towards the normal operating costs of the university. The Operating Formula Manual defines operating expenditures as:

> . . . all operating expenditures except those
>
> (a) in connection with assisted/sponsored research,
> (b) for principal and interest payments on capital indebtedness,
> (c) for student aid,
> (d) for ancillary enterprises,
> (e) for capital projects.[4]

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[3] Brock University, *Undergraduate Calendar*, 1982-83, p.p. 100-101.

[4] Ministry of Colleges and Universities, *Operating Formula Manual*, 1982-83, p. 2.

Normally, therefore, the costs classified as normal operating expenditures include those associated with instruction, non-sponsored research, academic support services (e.g. the library), administration and physical plant maintenance.

As the *Operating Formula Manual notes:* "Through their governing Acts, Ontario universities have full legal authority to establish their own fee levels".[5] Since 1971-72, however, Government has, as a matter of social policy, set fixed "formula fees" by program category for use in calculating annual operating grants. Thus, the *de jure* autonomy of the institutions has been limited by the fact that tuition fees in excess of the limit set by Government are deducted from an institution's operating grant.

Since 1980-81, Government has (as a result of a recommendation contained in Council's Advisory Memorandum 79-IV) allowed institutions "additional discretionary fee increases of up to 10% above formula fees without reduction in operating grant".[6] In making its recommendation, Council suggested:

> It seems appropriate that some autonomy in setting fees be returned to the universities. However, the degree of autonomy should not be such that tuition fees would become a prime factor in a student's choice of university or program.[7]

Currently, virtually all of the institutions charge tuition fees that are 10% greater than the formula tuition fee level.

Under the terms of the operating formula, formula tuition fees may only be used for "eligible" operating purposes. That is, the kinds of expenditures listed on page 2 of the *Operating Formula Manual* (see above) may not be supported through income received as formula tuition fees. However, the proceeds from the "discretionary 10%" may be used for "ineligible" operating expenditures. Further, institutions do have operating income other than that received as operating grants and tuition fees, such as gifts, donations, non-governmental grants and investment income.

The Question of Governmental Restrictions

In Council's view, the central question is: Should there be policy restraints on the kind and/or level of ancillary fees charged by the universities? As was noted above, there are very specific and direct controls on tuition fee levels. The application of controls in the area of ancillary fees, however, would be a departure from current practice.

A related question involves the categorization of certain ancillary fees as "back-door" tuition fees. If ancillary fees are employed to support costs that normally would fall under the heading of "ordinary operating expenses", then they constitute, in effect, alternative forms of tuition fees. As such, they may need to be controlled through a broadening of the current discretionary limit policy or through the direct application of restrictions on some or all of the ancillary fees.

Most program-related ancillary fees represent charges for extraordinary expenses relating directly to a particular instructional activity. Laboratory-related fees involve charges for "consumable supplies or materials, breakage, lab manuals and equipment".[8] Field trip fees represent, for the most part, travel and accommodation costs associated with specific trips. Fine arts fees consist generally of charges for consumable supplies or materials, private lessons, facility rentals and equipment. Special registration fees are charged to MD and MBA students and students enrolled in co-operative or internship programs.

Some program-specific ancillary fees are less clearly related to extraordinary expenses. For example, the Minister's letter refers to a fee "to cover such items as supplies, equipment, and hiring of teaching assistants" charged to Faculty of Applied

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5. *Ibid*., p. 6.

6. *Ibid*., p. 6.

7. Ontario Council on University Affairs, *Sixth Annual Report*, 1979-80, p. 63.

8. COU, *Incidental Fees*, p. 4.

Science and Engineering students at the University of Toronto (the COU submission refers to this as a "special academic fee"[9]). It should be noted, however, that this particular fee was student-initiated and implemented after "due democratic process" (i.e., it was not imposed on the students but assessed at the behest of a majority of those directly affected).

The major types of general ancillary fees involve charges for student activities and services. Such activities and services are normally external to the instructional activities of the university but are vital to the maintenance of a university community. Health services fees represent charges for medical supplies and services associated with an on-campus medical treatment facility. Athletic fees are intended to cover expenses related to intramural and recreational programs and facilities or to intercollegiate athletic programs. Student association fees are collected to support activities and services provided by the student government. Many of the miscellaneous general ancillary fees (for example, University Centre and College fees) represent charges for supplementary recreational and educational services and conveniences.

In her letter, the Minister specifically referred to the "learning support resources fee" charged to all Ryerson students, noting that this fee "will create a fund to support student learning aids such as a microcomputing facility". The COU submission mentions a special fee at the University of Western Ontario which is intended "to defray a portion of the original capital costs of... a social and recreational facility for students". Also, a 'special recreation facilities fee" charged by the University of Waterloo is intended to cover, in part, the capital costs associated with an ice arena.[10] In addition, the Board of Governors at Western has considered, but has deferred, the implementation of a "capital fee" - a general ancillary fee intended to provide funds for unspecified capital purposes.

Capital fees are not a new phenomenon. During the 1960's, many institutions had "students' union building" fees whereby students contributed towards the capital costs of a student or campus centre (often run by the student government). At some institutions, the student association fee continues to include a capital-related component. For example, at Queen's University $7.50 of the $55 student association fee is identified as a "Queen's Quest Pledge".[11] However, the proposed general capital fee at Western would have been unique in that, if implemented, it would have been imposed without tangible evidence of student support (e.g., a referendum) and it would not have been project-specific.

It is obvious from the above that the question of Government restrictions on compulsory ancillary fees is complex and difficult. For the most part, ancillary fees charged by the institutions represent charges for costs which are not part of their normal operating expenses. Program-specific ancillary fees are imposed for extraordinary instructional expenses and general ancillary fees represent charges for student activities and services not related to instruction. At the same time, however, there is a "grey area" involving ancillary fees, either in-place or proposed, which appears to infringe upon the territory ordinarily occupied by tuition fees or which represent new types of capital fees.

It is Council's view that the range and nature of the fees charged by the institutions is of secondary importance to the total level of fees (both tuition and ancillary) assessed. As long as the fee burden borne by students is not unreasonable and does not vary dramatically among institutions, then the express purpose of a particular ancillary fee should remain a matter of institutional discretion. This is especially so given the fact that the distinction between ancillary fees and tuition fees, or between operating-related and capital-related fees, is difficult to define with any precision.

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[9] *Ibid.*, p. 5.

[10] *Ibid.*, p. 3.

[11] Queen's University, *Faculty of Arts and Science Calendar*, 1982-83, p. 320.

As the *Operating Formula Manual* notes: "Tuition fee levels are an aspect of an important government concern: the question of accessibility".[12] Thus Government attempts to control tuition fee levels in order to minimize the financial barriers to university education faced by potential students. On the other hand, Government does not attempt to control the levels of ancillary fees charged by the institutions because the levels of such fees have not been viewed as significantly affecting the students' "ability to pay". It is Council's impression, however, that the Minister's letter of May 5, 1982 reflects a growing concern on the part of Government that, primarily through the implementation of new types of fees, institutional ancillary fee levels are beginning to have a critical impact on accessibility.

Council shares Government's concern in this area. Further, it is Council's view that, if it appears that the total fee burden carried by students is at or near an "unreasonable" level, then Government should implement policy restraints on the level of ancillary fees charged by the institutions. In other words, if ancillary fees are going to have a negative impact on accessibility then they should be controlled. However, it is also Council's view that current levels of ancillary fees are not unreasonable and, therefore, that there is no need for Government to attempt to inhibit the assessment of such fees at the present time.

As Table A illustrates, current levels of tuition plus general ancillary fees do not vary dramatically among institutions. For Group 5 programs, for example, the average of total fees is approximately $1,165, with a 15% variance between the lowest (Wilfrid Laurier at $1,111) and the highest (Trent at $1,282). Further, of the fifteen institutions for which total figures are available, twelve (80%) have fee totals that are within a range of $60. Council has not attempted to measure current levels of program-specific fees in a similar manner because of the complex nature of such fees and the fact that most of them are charged on a per course basis (i.e., total costs often depend on the number and type of courses taken).

Unfortunately, Council is not able to identify any historical trends concerning levels of ancillary fees. The data provided by COU were for one year only (although the submission does state that "the proposed 1982-83... rates did not differ significantly from those charged in 1981-82"[13]) and no comparable figures are available from any other source. The fact that current levels appear to be fairly reasonable would not allay Council's concern if it were also true that there is a trend towards increasingly higher levels.

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[12] Ministry of Colleges and Universities, *Operating Formula Manual*, p. 6.

[13] Council of Ontario Universities, *Incidental Fees*, p. 1.

Table A

ACTUAL TUITION AND GENERAL ANCILLARY FEES AS A PERCENTAGE OF FORMULA TUITION FEES

Discipline Groups[2]	Formula Tuition	Actual Tuition[2] $	(%)	General Ancillary[3]	Total $	%
Groups 1, 2 and 3						
Lakehead (Technology)	630	630	(100.0)	74	704	111.7
Ryerson	690	759	(110.0)	108	867	125.7
OCA	774	850	(109.8)	64	910	117.6
Group 4						
Ottawa	812	920	(113.3)	102	1,022	125.9
Queen's	812	894	(110.1)	110	1,004	123.6
Western	812	893	(110.0)	118	1,011	124.5
Group 5						
Brock	954	1,050	(110.1)	73	1,123	117.7
Carleton	954	1,049	(110.0)	168	1,217	127.6
Guelph	954	1,048	(109.9)	133	1,181	123.8
Lakehead	954	1,050	(110.1)	74	1,124	117.8
Laurentian	954	1,050	(110.1)	126	1,176	123.3
Algoma[4]	954	948	(99.4)	N/A	N/A	N/A
Nipissing[4]	954	975	(102.2)	N/A	N/A	N/A
Hearst[4]	954	980	(102.7)	N/A	N/A	N/A
McMaster	954	1,049	(110.0)	89	1,138	119.3
Ottawa	954	1,049	(110.0)	102	1,151	120.6
Queen's	954	1,049	(110.0)	110	1,159	121.5
Toronto[5]	954	1,050	(110.1)	129	1,179	123.6
Trent[6]	954	1,050	(110.1)	232	1,282	134.4
Waterloo[7]	954	1,050	(110.1)	104	1,154	121.0
Western	954	1,049	(110.0)	118	1,167	122.3
Wilfrid Laurier	954	1,025	(107.4)	86	1,111	116.5
Windsor	954	1,050	(110.1)	95	1,145	120.0
York	954	1,049	(110.0)	120	1,169	122.5
OISE[4]	954	1,080	(113.2)	N/A	N/A	N/A
Group 6						
Carleton	1,036	1,139	(109.9)	168	1,307	126.2
Guelph	1,036	1,140	(110.0)	133	1,273	122.9
Lakehead	1,036	1,140	(110.0)	74	1,214	177.2
Laurentian	1,036	1,140	(110.0)	126	1,266	122.2
McMaster	1,036	1,140	(110.0)	89	1,229	118.6
Ottawa	1,036	1,139	(109.9)	102	1,241	119.8
Queen's	1,036	1,139	(109.9)	110	1,249	120.6
Toronto[5]	1,036	1,140	(110.0)	129	1,269	122.5
Waterloo[7]	1,036	1,140	(110.0)	104	1,244	120.1
Western	1,036	1,140	(110.0)	118	1,258	121.4
Windsor	1,036	1,140	(110.0)	95	1,235	119.2
Group 7						
McMaster	1,214	1,336	(110.0)	89	1,425	117.4
Ottawa	1,214	1,335	(110.0)	102	1,437	118.4
Queen's	1,214	1,335	(110.0)	110	1,445	119.0
Toronto[5]	1,214	1,335	(110.0)	129	1,464	120.6
Western	1,214	1,335	(110.0)	118	1,453	119.7

Table A

NOTES

1. Discipline Groups are as follows:

   Group 1 - Technology (Lakehead)

   Group 2 - Ryerson

   Group 3 - Ontario College of Art

   Group 4 - Dental Technology, Nursing Technology and Theology

   Group 6 - Architecture, Engineering, Landscape Architecture, Industrial Design and Optometry

   Group 7 - Dentistry and Medicine

   Group 5 - All others

2. Actual tuition fees for 1982-83 were as reported by the institutions to the Ministry of Colleges and Universities.

3. "General" Ancillary Fees are as listed in Table 1 of the Appendix (with the exception of University of Toronto) and consist of ancillary fees charged on an institution-wide basis (i.e., to all students, regardless of program).

4. No information concerning Ancillary Fees at Algoma, Nipissing, Hearst and the Ontario Institute for Studies in Education was contained in the COU submission. Thus data for these institutions is noted as "Not Available" (N/A).

5. The University of Toronto figure is the minimum. There is a range of College Fees ($2-$155) and the figure given ($129) includes a $2 College Fee. If the maximum figure is used, the effects are as follows:

Group 5	954	1,050	(110.1)	282	1,332	139.6
Group 6	1,036	1,140	(110.0)	282	1,422	137.3
Group 7	1,214	1,335	(110.0)	282	1,617	134.3

6. Trent's figure includes a College Fee of $95 which is mandatory for all non-resident students.

7. General ancillary fees for the University of Waterloo include a student association fee of $38.50 (even though this fee is "refundable").

Generally, it is Council's impression that the rate of increases in levels of general ancillary fees has not been unwarranted but that program-specific ancillary fees are now significantly both more common and more substantial than in past years.

The implementation of new kinds of ancillary fees (for example the Applied Science and Engineering fee at the University of Toronto, the "learning resources" fee at Ryerson or the proposed general capital fee at Western), even if total fees remain at reasonable levels, is of some concern. It would appear, however, that the traditional practice of consulting with students prior to implementing such new types of fees (often involving formal approval through a referendum) continues to generally be utilized by the institutions. Usually, this approach has inhibited the imposition of ancillary fees without express student assent and thus there appears to be no need, at the present time, for any additional constraints. In general, therefore, Council feels that, given the current range of ancillary fees in terms of both kind and level, it would not be appropriate for Government to impose policy restraints in this area. However, Council is prepared to monitor the situation carefully in order to ensure that no significant change in either the type or level of ancillary fees occurs without there being an opportunity for the consideration of possible changes to existing Government policy. Thus Council will request that the institutions report annually, through COU, concerning both ancillary fees being charged and any proposed new fees or changes in existing fee levels. Council will also ask COU to develop a standard reporting format so that trends and patterns in ancillary fees may be identified over time.

Ancillary Fees and the Ontario Student Assistance Program

The question as to whether or not any general or program-specific ancillary fees should be declared ineligible for OSAP purposes has also been considered by Council. As noted in the Minister's letter, the current policy allows for a situation whereby indirect Government support for operating expenses is provided through OSAP. Declaring ancillary fees ineligible would have the effect of limiting such support to the direct method of operating grants. Alternatively, OSAP support could be "capped" by allowing support for ancillary fees but only to a certain maximum. Either restriction is likely to affect institutional decisions on the level of ancillary fees.

The identification of certain ancillary fees as ineligible for OSAP support is not without complications. The most obvious of these would occur if an institution were to proceed with an ancillary fee which was not covered by OSAP. Those students who receive support under the program would be adversely affected. As low-income students, they would be faced with paying a fee which would be disproportionately burdensome. Also, the level of OSAP support which they would receive would not take cognizance of the fee and thus would inaccurately reflect their financial status.

In addition, there would be an inconsistency involved in such a policy which would be difficult to rationalize. Allowing certain fees to be levied without reduction in Government support (i.e., operating grants) and yet refusing to allow those fees to be covered by OSAP would not represent a consistent approach. A fee, or group of fees, cannot be "eligible" in one sense and "ineligible" in another when the only factor which changes is the source of Government support– the student aid "pot" in one case, the operating grants "pot" in the other.

It should be noted in this regard that the current OSAP policy does not entail substantial payments relating to ancillary fees. For university students supported through OSAP, ancillary fees represented 3.0% ($1.2 million) of total costs in terms of grant assessments and 2.7% ($2.0 million) of total costs for loan assessments in 1981-82.[14] Given that approximately 30% of full-time students are supported through OSAP, the level of indirect support is relatively small. Thus there would not appear to be any reason to alter existing OSAP policy since support for compulsory ancillary fees does not represent substantial indirect support for institutional operating costs. Accordingly, Council *recommends to the Minister:*

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[14] Letter from Mr. W. H. Clarkson (Director of Student Awards, Ministry of Colleges and Universities) to Dr. B. C. Matthews, June 1, 1982.

OCUA 82-25
COMPULSORY ANCILLARY FEES AND THE ONTARIO STUDENT ASSISTANCE PROGRAM.

THAT all compulsory ancillary fees charged by any of the provincially-assisted universities and their affiliated colleges, Ryerson Polytechnical Institute, the Ontario Institute for Studies in Education, the Ontario College of Art and Dominican College be eligible for support under the Ontario Student Assistance Program.

In this context, the phrase "compulsory ancillary fees" should be interpreted to include:

a) one-time only ancillary fees (such as convocation or thesis-binding fees),
b) general ancillary fees related to student activities and services, and
c) program-specific ancillary fees.

It should not be taken to include penalty or optional user fees.

B. C. Matthews
Chairman
January 21, 1983

Extract from Council of Ontario Universities, *Incidental Fees*
(August 25, 1982)

Table 1

UNDERGRADUATE INCIDENTAL FEES BY UNIVERSITY, 1982-83

FEE TYPE	BROCK	CARLETON	GUELPH	LAKEHEAD	LAURENTIAN	McMASTER	OTTAWA	QUEEN'S	TORONTO	TRENT	WATERLOO	WESTERN	WLU	WINDSOR	YORK	RYERSON	ONT. COLLEGE OF ART
I.D. Card Fee	3				2		5										
Health Services	15	19 25	14 70	10	13 75	12	20	7	17 18 50	25	21 24	21 50	6	10			
Extended Health Ins.			12														
Life Insurance					3 25												
Athletics	30	67 80	36	25	30	27	35	30	31 50	55	34	44 25	30	20		12 80	
Registration					10												
Class Fee																	35
Incidental Student Activity															120		
Student Assoc.	25	60 50	40 50	39	66 50	50	30	55	17 75	57 25	38 50*	35 50	50	47		52 50	25
Special Activities Reserve																13 20	
University Centre Fees		20	20				12	18 26				10		17 50			
College Fees									2-155	95							
Special Fees																	
Ancillary Operations (Ryerson)																4	
Thompson Arena (Western)												7					
Recreation Facilities (Waterloo)											10						
Learning Support Services (Ryerson)																25	
Hart House									2-36								
Totals	73	167 55	122 70 132 70	74	125 50	89	102	110 26	92 50 283 73	232 25	65 24	118 25	86	94 50	120	107 50	60

Unless otherwise indicated fees charged are $ per year

Notes: Semester Fee rates charged by Guelph, Waterloo and Windsor have been converted to two term rates. Brock rates by course have been multiplied by 5 for an annual rate.

*The student association fee at Waterloo is optional

Table 2

COMPULSORY PROGRAM RELATED UNDERGRADUATE INCIDENTAL FEES, 1982-83

Program Specific Fee Type	INSTITUTION															
	BROCK	CARLETON	GUELPH	LAKEHEAD	LAURENTIAN	McMASTER	OTTAWA	QUEEN'S	TORONTO	TRENT	WATERLOO	WESTERN	WLU	WINDSOR	YORK	RYERSON
Laboratory Fee[1]	NO PROGRAM SPECIFIC FEES	-	-	-	20*	-	-	-	25	3-20*	-QL-	-	-	10-50*	10-381*	
Consumable Supplies/ Materials[2]		25*	-	10-20	20*	225	10-50*	75-390	30	50*	-	-	-	-	2-200*	-
Breakage[3]		-	-	-	-	1.50**	-	-	-	-	10-20	-	-	-	-	-
Lab Manual		5*	-	-	-	-	-	-	15-18	3-12*	-	-	-	-	-	-
Equipment Fee[4]		7-350	-	-	-	-	-	30-150	-	4	-	-	-	-	-	-
Course Notes		10	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Field Trips[5]		10-700	80-160	10-190	-	100*	NOT SPEC.	25-180 -	54.50 268	5-550*	9-250*	-	-	25-150*	65-1000*	-
Programs Abroad		-	-	-	-	-	-	-	-	35-150	-	-	-	-	-	-
Activity Fee		-	-	-	-	-	-	-	-	250	-	-	-	-	-	-
Studio Fee		-	-	30	-	-	-	-	-	-	-	-	25	-	-	-
Instrument Fee		-	-	-	-	-	-	-	30-35	-	-	100	-	-	-	-
Private Lessons		-	-	-	-	-	-	-	-	-	-	195*		90*		
Screening Fee		-	-	-	-	-	-	-	15*	-	-	-	-	-	-	-
Audition Fee		-	-	-	-	-	-	-	10	-	-	-	-	-	-	-
Duplication Fee[6]		-	-	-	-	-	VAR	-	-	-	-	-	-	70	-	-
Laundry/Uniforms[7]		11	20-82	-	10	75	-	25-120	30-100	-	-	-QL-	-	-	-	-
Rabies Immunization		-	21-63	-	-	-	-	-	-	-	-	-	-	-	-	-
MD Diagnostic Equip.		-	-	-	-	500	-	360	-	-	-	-	-	-	-	-
Dental Kits		-	-	-	-	-	-	-	277-1674	-	-	130-2550	-	-	-	-
Student Professional Society		-	-	-	-	2.50-15.00	-	5.50-33.00	5-35.00	-	4.00-11.00	-	-	4.50-13.00	-	-
MD Registration		-	-	-	-	-	20-50	-	-	-	-	50	-	-	-	-
MBA Registration		-	-	-	-	-	-	-	-	-	-	50***	-	-	16	-
Co-op PGM/ Placement		-	-	-	-	180	-	-	-	-	209	-	180	-	-	-
Internship Program Fee		-	-	-	-	-	-	-	-	-	-	-	50	-	-	-
Master of Industrial Relations Academic Fee		-	-	-	-	-	-	-	20	-	-	-	-	-	-	-
Engineering Academic Fee		-	-	-	-	-	-	-	100	-	-	-	-	-	-	-

Unless otherwise indicated fees charged are $ per year.

*Cost per course

Table 2
NOTES

1. Laboratory fee

York	- natural science lab courses have a lab fee of $10 per course - fourth year computer science courses have a $50 lab fee per course
Toronto	- rehabilitation medicine students are charged $25 per year.

2. Consumable Supplies/Materials Fee

Carleton	- all biology students are charged $25 per course for lab supplies
Lakehead	- education students only are charged $10-25 per course for materials
Laurentian	- $20 per course in all engineering, science and sports administration courses
McMaster	- $225 represents the charge for studio art students per year
Ottawa	- fee includes commercial arts and visual arts courses only
Queen's	- fee represents the total cost per year - most students are charged around $100 per year - fine arts students are charged between $200 and $390 per year depending on courses taken
Toronto	- first year medicine students are charged a $30 microscope maintenance fee
Trent	- materials fee includes course material and lab manual and applies to a fourth year biology course only
York	- all students taking science courses are charged between $4 and $60 per session - administrative studies students are charged $22 per course - geography students are charged between $3 and $50 per course - fine arts students are charged between $25 and $145 per course - physical education students are charged between $150 and $200 per year - upper year computer science students are charged $100 per year - education students are charged between $5 and $15 per course

3. Breakage Fee

Waterloo	- students taking courses in engineering, biology and chemistry are charged $10 per year for breakage - earth science students are charged $20 per year - refunds are provided at the end of the year

4. Equipment Fee

Carleton	- geology, biology and computer science students are charged between $7 and $11 for equipment which includes such things as hand lens, computer discs and forceps - architecture students are charged $350 for camera equipment
Queen's	- applied science students pay a $150 equipment fee

5. Field Trips

Carleton	- field trips for required courses in biology and geology cost, on average, $150 per course
	- optional course field trips range between $140 in journalism and $700 in biology
Guelph	- only diploma students in agriculture are charged for field trips
Lakehead	- the average charge for field trips is $100 yearly
	- year four forestry students are charged $190 per year
McMaster	- geology students are charged $100 per course
Ottawa	- geology, physical education students are charged a fee for field trips although the actual fee is not indicated
Queen's	- total cost per year for certain programs is indicated
	- of those programs that have field trips only three are $25, the rest are over $100 with outdoor education field trips costing $180 per year
Toronto	- physical education students are charged $54.40 for a first year field trip and $78 for a second year trip
	- biology students are charged $268 accommodation for a New Brunswick trip
	- anthropology field school costs $20 plus food
Trent	- most field courses are under $50
	- two upper year geography courses are $150 and one upper year biology course is $550
Waterloo	- most field trips are under $100
	- of the three courses over $100, two are in biology and one in earth science
Windsor	- civil engineering field trips are $40 per course, human kinetics are between $25 and $50 per course and geology students are charged $150 per field course
York	- earth science summer field courses which include room and board cost between $65 and $1000

6. Duplication Fee

Windsor	- all law students are charged a $35 per term duplication and reproduction fee
Carleton	- unspecified charge for law students

7. Laundry/Uniform Fees

McMaster	- uniforms costs are $75 per year for all students taking clinical education courses
Queen's	- science, fine arts, outdoor education and some health science students are charged less than $80
	- medical students are charged $120
	- physical education students are charged $115
Laurentian	- includes physical education and sports administration students only
Guelph	- only DVM students are charged a laundry fee of $10-41 per semester
Carleton	- chemistry lab coats cost $11 per year
Toronto	- medicine students are charged between $30-$100 per year for laundry fees.

82-XIII Funding for the Undergraduate Program in Computer Systems Engineering at Carleton University

In December 1981, Council received a formal request from Carleton University to recommend to the Minister of Colleges and Universities that its new undergraduate program in Computer Systems Engineering be eligible for formula funding support. Being an undergraduate, professional program and so requiring a specific recommendation from Council for funding, the program proposal was forwarded to Council's Academic Advisory Committee.[1]

Council finds that the program is of suitable academic quality; is financially viable; meets an evident student demand and societal need; and is significantly different from other similar programs in the province. As well, there is extensive community support for the program. Carleton University has the academic staff and resources to mount such a program.

The Ottawa region has a marked concentration of industrial firms in the high technology field that offers significant potential for economic growth and that complements the proposed program. Council believes that, even in a time of economic restraint, Government should support programs that will assist in the development of high technology in Ontario.

At the moment, there is no formal cooperation between Carleton and the University of Ottawa in the offering of computer engineering courses. In this connection, Council takes particular note of the following comments of the Academic Advisory Committee on pages seven and eight of "Appendix A":

> Ottawa has just this year introduced a Computer Engineering stream within its existing Electrical Engineering program. The Committee feels strongly that the two universities should explore, in formal discussion, areas of possible cooperation and coordination in the offering of their respective programs.

Council strongly endorses the concept of active cooperation and coordination in terms of course offerings, faculty and equipment. There may indeed be a need for two such programs in the Ottawa area, but in a time of resource constraint, it is crucial that there be effective cooperation and coordination between the institutions in the offering of similar programs.

Accordingly, Council *recommends to the Minister:*

> *OCUA 82-26*
> *FUNDING FOR THE UNDERGRADUATE PROGRAM IN COMPUTER SYSTEMS ENGINEERING AT CARLETON UNIVERSITY.*
>
> *THAT* the undergraduate program in Computer Systems Engineering at Carleton University be deemed eligible for formula support beginning in 1983-84, and that all eligible enrolment, from 1982-83 on, be included in the moving average for the university.

B. C. Matthews
Chairman
February 4, 1983

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[1] See Appendix A.

Appendix A

OCUA ACADEMIC ADVISORY COMMITTEE

Undergraduate Program in Computer Systems Engineering (B.Eng.), Carleton University– New Undergraduate Professional Program Considered for Formula Funding

In accordance with the new procedures for consideration of new undergraduate professional programs, as set out in Council's Advisory Memorandum 82-VII, Undergraduate Program Approvals, and as accepted by the Minister, a proposal for a Computer Systems Engineering program at Carleton University was circulated for comment to the Council of Ontario Universities (COU). COU, in turn, asked for advice concerning the proposal from its Committee of Ontario Deans of Engineering (CODE). Each Ontario Engineering dean was subsequently provided with a complete package of all relevant documentation. CODE provided advice to COU, and the Vice-Presidents' Academic Group of COU concurred with CODE's judgement. COU declined to comment on the specific question of whether the program should actually receive formula funding. Council referred CODE's comments to the Academic Advisory Committee (AAC) and asked for specific recommendations relating to the Carleton program.

It is the Committee's understanding that Council is solely responsible for judging whether a program "should be funded even in a time of economic restraint." The Committee, therefore, does not offer any comment on this question, but it has considered the other nine categories of information and inquiry as listed in Council's Advisory Memorandum 82-VII.[1]

The Committee reviewed the following material relating to Carleton's Computer Systems Engineering program:

- OCUA Advisory Memorandum 82-VII,
- Bachelor of Engineering Program in Computer Systems Engineering: A Proposal, Carleton University, January 1981,
- Report of the Senate Academic Planning Committee on the proposed Bachelor of Engineering Program in Computer Systems Engineering, Carleton University, July 29th, 1981,
- Engineering Manpower News, # 29, April, 1981,
- Advanced Technology Human Resource Requirements Survey, Ottawa-Carleton Industrial Training Council, May 1981,
- Letters from the presidents of several Ottawa-based companies, endorsing the concept of the program,
- Letter from the President of the Association of Professional Engineers of the Province of Ontario, March 3, 1982,
- Letter from the Chairman of CODE, May 14, 1982,
- Joint letter to CODE from the Engineering departments of the universities of Ottawa and Carleton, April 26, 1982,
- Enrolment Statistics.

The Committee's findings with regard to the program are summarized below:

1. PROPOSED CURRICULUM

There is currently at Carleton a Computer Systems Engineering "stream" within the present Electrical Engineering program. Carleton feels that, in addition to this stream, a full four-year program in the field is now required. The proposed curriculum would consist of the conventional first-year Engineering core subjects and then primarily a sequence of courses now offered as electives to students in Engineering and Computer Science. The course material drawn from the departments of Electronic Systems and

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[1] Ontario Council on University Affairs, *Advisory Memorandum 82-VII*, Undergraduate Program Approvals, p.11.

Computer Engineering and Computer Science would allow the student to concentrate on the "interrelated fields of computers, electronics and communications."[2] The Committee feels that the proposed curriculum has been carefully designed and is appropriate in terms of the subject areas to be covered.

2. ACADEMIC QUALITY OF THE PROGRAM

The Committee notes that the program has received extensive internal examination at Carleton and has been approved by the Senate at Carleton. The Committee sees no reason to question the academic quality of the program.

3. FINANCIAL VIABILITY OF THE PROGRAM

In our opinion, the resource requirements for the program are not substantial. The proposal would entail the addition of two new half-courses; one additional faculty member; three additional teaching assistants; and the addition of 75 square metres of laboratory space. Due to the enrolment limits which will be placed on the program and some anticipated corporate financing, the University feels that the program will be financially viable and will not be a significant strain on existing resources.

4. PROJECTED ENROLMENT

For the first two years of the program, Carleton proposes that enrolment in the second year of the program be limited to 30 students. This will allow the University time to assess the potential demand for the program and the institution's ability to provide adequate resources. Due to existing teaching workloads, Carleton also proposes that the enrolment ceiling for all of the Faculty of Engineering be frozen. The enrolment of students in the new Computer Systems Engineering program should , therefore, not result in an increase in overall Engineering enrolment. The Committee believes that these are rational enrolment policies.

5. COOPERATION WITH OTHER POST-SECONDARY INSTITUTIONS

At the moment, there does not appear to be any formal link with other post-secondary institutions with regard to the Computer Systems Engineering program, but the Committee notes the intention of the University of Ottawa to develop a full-fledged program in Computer Engineering within the next three years. Ottawa has just this year introduced a Computer Engineering stream or option within its existing Electrical Engineering program. The Committee feels strongly that the two universities should explore, in formal discussion, areas of possible cooperation and coordination in the offering of their respective programs.

6. NEED — STUDENT AND SOCIETAL DEMAND

The Committee is satisfied that there is a very significant student demand for a program of this kind. For instance, CODE states that for computer options in existing Electrical Engineering programs, there are "extreme enrolment pressures and many good students are turned away each year".[3] The advice from CODE goes on to conclude that, therefore, the economic viability of any existing Electrical Engineering programs will not be jeopardized by the introduction of the Carleton program.

There also appears to be a strong societal demand for the program in that graduates of the program will have the skills to bridge the very crucial gap between electrical engineering per se and computer science. In this connection, C. D. Patterson, President of Digital Data Communications Ltd., offered the following comment:

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[2] *Bachelor of Engineering Program in Computer Systems Engineering: A Proposal*, Carleton University, January, 1981, p.i.

[3] Letter from Dr. J. G. Locker to Dr. E. J. Monahan, May 14, 1982.

> To an electronics hardware/software manufacturer, the graduates of a conventional computer sciences department usually have difficulties in adjusting to our requirements. A similar though not such an extreme difficulty, exists with the graduates of the electrical engineering department who sometimes lack a systems understanding and have too narrow an approach to a complex problem.[4]

The Committee is satisfied that graduates of the program could find employment in many diverse areas within industry, such as computer network design, remote distributed control of pipeline pumping stations, telephone switching systems and videotex data storage/transmission/display systems.[5]

7. PROGRAM UNIQUENESS

While there are several universities in Ontario which now offer a computer option or stream within their existing, traditional engineering programs and while some are developing full-scale computer engineering programs, Carleton's program would appear to be unique in two ways:

a) it is already a full-scale program in Computer Systems Engineering, and

b) it does not concentrate only on computer engineering, but rather exposes the student to a wide variety of computer-related and computer systems-related fields.

8. LOCAL, REGIONAL SUPPORT FOR THE PROGRAM

The Ottawa area contains a significant number of computer systems-related industries. Carleton's program initiative appears to be supported quite strongly by businesses in the region.

9. INSTITUTIONAL APPROPRIATENESS

As this new program draws heavily on already established strengths in several engineering departments and in the Computer Science Department, and as the University appears, for the most part, to have the requisite support services in place, the Committee would suggest that the program is an appropriate one for Carleton.

10. FUNDING

The Committee, therefore, recommends that:

> Carleton University's new program in Computer Systems Engineering (B.Eng.), having satisfied all of Council's requirements for new undergraduate professional programs, be recommended to the Minister as being eligible for formula funding support.

ACADEMIC ADVISORY COMMITTEE
January 4, 1983

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[4] Letter to Prof. J. S. Riordan, Chairman, Dept. of Systems and Computer Engineering, Carleton University, January 1981.

[5] *Bachelor of Engineering Program in Computer Systems Engineering: A Proposal*, Carleton University, January, 1981, p. 1.

82-XIV The Allocation of the Government's Operating Support for the University System in 1983-84

By letter of February 15, 1983, the Minister of Colleges and Universities informed Council that, for 1983-84, a maximum of $1,113.5 million in operating grants will be made available for the university system. Of this amount, $1,108.65 million is available for Council's basic funding objectives and the grant-in-aid for the Bar Admission Course. The remaining $4.85 million will be retained by the Ministry of Colleges and Universities for line budget items.

Council was also informed that, consistent with Council's Recommendation 82-8, Government will provide an additional $12.0 million in operating support "as a special one-time grant towards institutional expenditures on equipment for use in teaching undergraduates and on library equipment and acquisitions".[1] This grant will be allocated to the institutions *pro rata* on the 1982-83 distribution of operating grants. A high priority is to be given to equipment improvements in programs in science and engineering and the Ministry of Colleges and Universities' capital reporting system will be used to account for the expenditures this grant will support.

In addition to the operating grants announcement, the Minister reaffirmed the Premier's statement of September 21, 1982, concerning increases in tuition fee rates during the Inflation Restraint Program. Formula fee rates for domestic students will increase by 5.0% in 1983-84. Institutional domestic tuition fee rates in 1983-84 will be allowed to increase by no more than 5% above those charged in 1982-83, therefore "no further use may be made of the discretionary fee provision beyond the 1982-83 level".[2] Application of the increase in domestic formula fee rates to Council's estimate of total student enrolment in 1983-84, yields an estimated $11.4 million in additional formula fee revenue.

The Minister also announced that, in addition to the 5% increase in domestic formula fees, the scheduled second increase in formula fee rates for foreign students who registered for the first time after September 1, 1982 will be implemented as planned only for undergraduate students. Thus, fees for such undergraduate foreign students who are enrolled in Upper Years Honours Science, Music or Environmental Studies programs with a formula weight of 1.0 per term or in programs with a formula weight of 0.75 per term or less, will increase from the present $2,700 to $3,780. The fees for all other such undergraduate foreign students will increase from $4,400 to $6,160. Acting on Council's advice, contained in Advisory Memorandum 82-IX ("Differential Fees for Visa Graduate Students"), the Minister has postponed, for at least one year, the scheduled increase in formula fees for graduate visa students (except for students enrolled in Theology) to 66-2/3% of educational costs. For 1983-84, formula fees for these students will rise by 5%. The Ministry of Colleges and Universities estimates that revenue accruing to the universities from foreign student fee rates in excess of the domestic fee rate will increase by $7.0 million in 1983-84.

Based on the above estimates of the increase in formula and foreign student fee revenue and an estimated 3.0% increase in enrolment, total grant and fee revenue accruing to the university system in 1983-84 is expected to be $1,386.8 million. This represents a 9.0% or $114.9 million increase in funding for the system from these two sources over 1982-83.

In December 1982, Council updated its 1983-84 funding advice by submitting Advisory Memorandum 82-IIIA. This updated advice reduced the amount recommended for operating grants contained in Advisory Memorandum 82-III by $36.4 million. This advice reflects what Council believes will be the effect of *An Act Respect-*

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[1] Letter from the Honourable Dr. B. Stephenson, Minister of Colleges and Universities, to Dr. B. C. Matthews, dated February 15, 1983, p. 1.

[2] *Ibid.*, p. 2.

ing the Restraint of Compensation in the Public Sector in Ontario and the Monitoring of Inflationary Conditions in the Economy of the Province on the university system. The estimated total revenue available for Council's basic funding objectives in 1983-84, including the $1,108.65 million in operating grants designated for Council's basic funding objectives and the estimated $18.4 million from formula and foreign student fee rate increases, falls $8.9 million short of Council's revised basic funding objectives. The estimated total revenue available to the university system in 1983-84, including the $12.0 million equipment and library grant, falls $10.4 million short of Council's revised total recommendation for operating support of $1,448.3 million ($1,434.8 million for basic funding objectives; $1.5 million for the grant-in-aid for the Bar Admission Course and funding of existing bilingualism programs;[3] and $12.0 million for additional funds for equipment and library acquisitions).

In this memorandum, Council presents its advice on the distribution of the $1,108.65 million that has been made available for operating grants. This includes recommendations on the allocation of differentiation grants, Northern Ontario grants, bilingualism grants, the grant-in-aid for the Bar Admission Course, a provision for final enrolment adjustment and the distribution, by formula, of the funds remaining after the above allocations.

Differentiation Grants

Council introduced, in Advisory Memorandum 80-VI, differentiation grants as a new category of extra-formula funding for institutions that accept a clearly differentiated role, demonstrate their intention to pursue their strengths efficiently and effectively, and require special funding to do so. Council also made it clear that the annual renewal or continuation of such a grant would depend entirely on the progress the institution makes towards attaining its goals over the period for which the grant is awarded.

In recognition of its distinct character as the only institution in the Province engaged almost entirely in undergraduate Arts and Science instruction, Trent University has been the only recipient of a differentiation grant in 1981-82 and 1982-83. In Advisory Memorandum 81-IX, Council emphasized that renewal of this grant for 1983-84 was conditional upon Trent providing firm evidence that the institution was continuing to make progress towards the objectives outlined by Council: (i) to search for more efficient ways of carrying out its role as a primarily undergraduate Arts and Science institution and; (ii) to make evident progress toward the pruning and consolidation of its graduate offerings.

Council continues to believe that Trent is taking appropriate steps to differentiate its role. Since the awarding of the differentiation grant for 1982-83, Trent has continued to implement its plans to modify its graduate program offerings. Specifically, Trent has "ceased to admit students into single-discipline Master's-level programs in Physics, Chemistry and History as of July 1, 1982".[4] It has also progressed with the development of a multi-disciplinary Masters program in Canadian studies by establishing a Centre for Canadian Heritage and Development Studies.

Council is encouraged by Trent's progress towards achieving a mode of operation more closely aligned to available resources. In 1982-83, it took significant steps towards controlling its expenditures.

In view of the actions already taken by Trent and its continued commitment to search for more efficient ways of carrying out its role as a primarily undergraduate Arts and Science institution, Council concludes that the differentiation grant to Trent should be increased from the 1982-83 level of $1.4 million to $1.5 million. Council accordingly *recommends to the Minister:*

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[3] It should be noted that subsequent to the submission of Advisory Memorandum 82-III, $336,000 of the amount requested to cover the outstanding incremental costs of bilingualism in 1982-83 was provided by Government. This would reduce the shortfall to $10.1 million.

[4] Trent University, *A Progress Report to the Ontario Council on University Affairs, December*, 1982, p. 4.

OCUA 82-27
DIFFERENTIATION GRANT FOR TRENT UNIVERSITY 1983-84

> *THAT* a differentiation grant of $1,500,000 be made to Trent University in 1983-84.

In making the above recommendation, Council must emphasize that the increase in the level of the grant should not be interpreted as being any form of indexing. As in the past, the recommended level of any future differentiation grant will be determined as a result of a review of the existing circumstances of the institution.

Northern Ontario Grants

In Advisory Memorandum 80-VI, Council indicated that it anticipated undertaking a thorough review of the Northern Ontario grants. Since that time, Council initiated a review of the delivery of university-level education in Northeastern Ontario and has recommended to the Minister that a new university for Northeastern Ontario be established. Council now believes that it would be inappropriate to undertake a review of the Northern Ontario grants until after the structure for the delivery of university-level education in Northeastern Ontario is clarified and until changes in the operating grants formula, if any, are implemented.

For 1983-84, the value of the Northern Ontario grants for Lakehead and Laurentian universities, and Laurentian's affiliated colleges, is calculated according to the "mini-formula" outlined in Advisory Memorandum 75-VII. On the basis of that formula, each grant is determined with reference to the prior year's Basic Operating Income of each institution.

Accordingly, Council *recommends to the Minister:*

OCUA 82-28
NORTHERN ONTARIO GRANTS 1983-84

> *THAT* Northern Ontario grants in 1983-84 be made in the following amounts:

Lakehead	$2,027,000
Laurentian	1,965,000
Algoma	185,000
Laurentian (Algoma)	20,000
Nipissing	340,000
Laurentian (Nipissing)	26,000
Hearst	102,000
Laurentian (Hearst)	7,000

Bilingualism Grants

In Advisory Memorandum 77-VI, Council documented the incremental costs of existing bilingualism programs and found that the level of bilingualism grants did not cover these costs. On the basis of these findings, Council recommended that additional funds be made available to overcome this shortfall over a two year period. One million dollars was requested and received for 1978-79. In 1979-80, $0.5 million of the remaining $1.0 million requested by Council was made available by Government. Since that time Council has requested annually that the remaining $0.5 million (escalated by an appropriate inflationary factor) be provided. In 1982-83, Government offset a portion of this shortfall by providing an additional $336,000 in bilingualism grants.

For 1983-84, therefore, the total funds available for distribution by Council are equal to the total of the previous year's grants (including the additional $336,000) increased by the percentage increase in total university operating grants (7.5%).

Council is again recommending that total available bilingualism grants be allocated according to the incidence of incremental bilingualism costs, as identified by Council's 1976-77 cost study documented in Advisory Memorandum 77-VI. However, Council is in the process of reviewing bilingualism costs and the results of this review will be used to formulate recommendations on the appropriate level and distribution of grants for 1984-85 and subsequent years.

Accordingly, Council *recommends to the Minister:*

OCUA 82-29
BILINGUALISM GRANTS 1983-84

THAT bilingualism grants in 1983-84 be made in the following amounts:

Ottawa	$6,885,000
Laurentian	1,702,000
Glendon	217,000
Hearst	85,000
Sudbury	31,000
St. Paul	331,000

Bar Admission Course

In recent years, Council has recommended that the grant-in-aid for the Bar Admission Course be increased by the same percentage as that accorded the university system as a whole. Council continues to apply this policy and proposes that the grant-in-aid for the Bar Admission Course for 1983-84 be increased by 7.5% over the $637,000 allocated in 1982-83.

Council, accordingly, *recommends to the Minister:*

OCUA 82-30
GRANT TO THE LAW SOCIETY OF UPPER CANADA ON BEHALF OF THE BAR ADMISSION COURSE 1983-84

THAT a grant of $685,000 be made to the Law Society of Upper Canada for support of the Bar Admission Course in 1983-84.

Basic Income Unit Values

Of the $1,108.65 million available for distribution in 1983-84, Council has recommended that $16.108 million be made available for Northern Ontario, bilingualism, differentiation grants, and for the grant-in-aid for the Bar Admission Course. In addition to these deductions, shown in Table I, $1.416 million has been set aside by Council as the provision for final enrolment adjustment. This amount is intended to offset any discrepancy between the estimated weighted enrolment for 1982-83 and the final enrolment figures. The amount remaining for distribution by formula grants, after deductions for non-formula grants and enrolment adjustment, is $1,091.126 million. It should be noted that the unused portion of the provision for final enrolment adjustment will also be distributed according to the funding formula.

Table I

Availability of Funds for Distribution as Graduate and Undergraduate Formula Grants for 1983-84

Available for Council's Allocative Recommendation		$1,108,650,000
Deduct:		
Northern Ontario Grants	$ 4,672,000	
Bilingualism Grants	9,251,000	
Differentiation Grants	1,500,000	
Bar Admission Course	685,000	
Sub-Total	$16,108,000	
Provision for Final Enrolment Adjustment	1,416,000	
Total Deductions		17,524,000
Available for distribution as Graduate and Undergraduate Formula Grants		$1,091,126,000

Calculated on an amount of $1,091.126 million available for distribution by formula grants, the value of the undergraduate Basic Income Unit (BIU) is $3,855 and the graduate BIU is $3,757. The undergraduate allocation is calculated in accordance with the undergraduate funding formula established in Advisory Memorandum 76-VII. The graduate BIU allocation is calculated according to the method specified in Advisory Memorandum 78-III. Council accordingly, *recommends to the Minister:*

> *OCUA 82-31*
> *GRADUATE AND UNDERGRADUATE BIU VALUES FOR 1983-84*
>
> *THAT* for 1983-84, the graduate BIU value be not less than $3,757 and the undergraduate BIU value be not less than $3,855.

Tables II and III summarize the distribution of grants and Basic Operating Income based on the recommendations contained in this memorandum. Table II documents, by institution, the formula and non-formula grants recommended by Council for 1983-84, along with the grant totals for 1982-83 and the percentage increases in grants between the two years. Table III outlines the Basic Operating Income and non-formula grants of each institution for 1983-84 and the corresponding sum for these figures for 1982-83. Council notes that, while Basic Operating Income is a more accurate measure of expected revenue for the university system than the grants alone, the fee portion of Basic Operating Income may differ from actual revenue collected by the system. An explanation of the basis for this difference and its implications is found in the Appendix to Advisory Memorandum 78-V.

Table IV summarizes the distribution of total operating grants, including the $12.0 million equipment and library grant. It outlines, by institution, the total grants recommended by Council for operating purposes, the Ministry of Colleges and Universities' estimated distribution of the equipment and library grant, total grants for 1983-84 and 1982-83, along with the percentage increases in grants between the two years.

B. C. Matthews
Chairman
February 18, 1983

Table II

Distribution of Grants Generated by Recommendations in Advisory Memorandum 82-XIV
($ Thousands)

	1983-84 Recommendations						1982-83 Total Grants	% Change
	Formula Grants	Northern Ontario Grants	Bilingualism Grants	Differentiation Grants	Special Grant & Final Enrolment Adjustment	Total Grants Recommended		
Brock	19,571					19,571	17,281	13.3
Carleton	53,751					53,751	50,701	6.0
Guelph	65,923					65,923	61,710	6.8
Lakehead	16,780	2,027				18,807	17,139	9.7
Laurentian	15,728	1,965	1,733			19,426	17,791	9.2
Algoma	1,170	185				1,355	1,318	2.8
Laurentian (Algoma)	203	20				223	145	53.8
Nipissing	2,747	340				3,087	2,579	19.7
Laurentian (Nipissing)	314	26				340	192	77.1
Hearst	296	102	85			483	480	0.6
Laurentian (Hearst)	81	7				88	24	226.7
McMaster	72,505					72,505	67,631	7.2
Ottawa	84,173		7,216			91,389	86,065	6.2
Queen's	75,784					75,784	70,917	6.9
Toronto	243,860					243,860	229,820	6.1
Trent	10,727			1,500		12,227	11,250	8.7
Waterloo	84,380					84,380	78,730	7.2
Western	113,827					113,827	105,087	8.3
Wilfrid Laurier	21,450					21,450	19,644	9.2
Windsor	46,990					46,990	43,450	8.1
York	90,453		217			90,670	80,858	12.1
Oise	15,230					15,230	14,710	3.5
Ryerson	48,185					48,185	45,486	5.9
OCA	6,867					6,867	6,449	6.8
Dominican	111					111	102	8.8
TOTAL	1,091,126	4,672	9,251	1,500		1,106,549	1,029,499	7.5
Bar Admission					685			
Final Enrolment Adjustment					1,416			

NOTES: 1. Dominican College receives 50% funding. The theology schools receiving 100% funding are included with the parent institution.

2. 1983-84 formula grants are calculated using an undergraduate BIU value of $3,855, a graduate BIU value of $3,757 and formula fee rates increased by 5.0% over their 1982-83 levels.

3. Bilingualism grants for affiliated institutions are included with the parent institutions.

4. 1982-83 grants were calculated using an undergraduate BIU of $3,669 and a graduate BIU value of $3,576.

Table III

Distribution of Basic Operating Income and Grant Recommendations in Advisory Memorandum 82-XIV
($ Thousands)

	1983-84 Recommendations							
	Basic Operating Income (BOI)	Northern Ontario Grants	Bilingualism Grants	Differentiation Grants	Special Grants & Final Enrolment Adjustment	BOI Plus Nothern, Bilingualism, Differentiation & Special Grants	1982-83 BOI Plus Northern, Bilingualism & Special Grants	% Change
Brock	23,603					23,603	20,853	13.2
Carleton	65,323					65,323	61,603	6.0
Guelph	76,680					76,680	71,765	6.8
Lakehead	20,283	2,027				22,310	20,335	9.7
Laurentian	19,433	1,965	1,733			23,131	21,225	9.0
Algoma	1,581	185				1,766	1,720	2.7
Laurentian (Algoma)	240	20				260	172	51.2
Nipissing	3,356	340				3,696	3,111	18.8
Laurentian (Nipissing)	372	26				398	229	73.8
Hearst	400	102	85			587	585	0.3
Laurentian (Hearst)	93	7				100	27	270.4
McMaster	84,767					84,767	79,084	7.2
Ottawa	99,337		7,216			106,553	100,361	6.2
Queen's	88,391					88,391	82,752	6.8
Toronto	282,812					282,812	266,507	6.1
Trent	13,439			1,500		14,939	13,782	8.4
Waterloo	100,519					100,519	93,805	7.2
Western	134,865					134,865	124,482	8.3
Wilfrid Laurier	26,572					26,572	24,359	9.1
Windsor	56,650					56,650	52,370	8.2
York	109,439		217			109,656	97,948	12.0
Oise	16,738					16,738	16,173	3.5
Ryerson	55,974					55,974	52,845	5.9
OCA	8,219					8,219	7,697	6.8
Dominican	145					145	134	8.2
TOTAL	1,289,231	4,672	9,251	1,500		1,304,654	1,213,922	7.5
Bar Admission					685			
Final Enrolment Adjustment					1,416			

Notes: 1. Dominican College receives 50% funding. The theology schools receiving 100% funding are included with the parent institution.

2. 1983-84 BOI is calculated using an undergraduate BIU value of $3,855 and a graduate BIU value of $3,757.

3. Bilingualism grants for affiliated institutions are included with the parent institution.

4. 1982-83 BOI is calculated using an undergraduate BIU value of $3,669 and a graduate BIU value of $3,576.

Table IV

Distribution of Total Operating Grants for 1983-84
($ Thousands)

	Total Grants Recommended	Equipment and Library Grant	1983-84 Total Grants	1982-83 Total Grants	% Change
Brock	19,571	201	19,772	17,281	14.4
Carleton	53,751	591	54,342	50,701	7.2
Guelph	65,923	719	66,642	61,710	8.0
Lakehead	18,807	200	19,007	17,139	10.9
Laurentian	19,426	206	19,632	17,791	10.3
Algoma	1,355	15	1,370	1,258	8.9
Laurentian (Algoma)	223	2	225	145	55.2
Nipissing	3,087	30	3,117	2,579	20.9
Laurentian (Nipissing)	340	3	343	192	78.6
Hearst	483	6	489	480	1.9
Laurentian (Hearst)	88		88	24	266.7
McMaster	72,505	788	73,293	67,631	8.4
Ottawa	91,389	1,000	92,389	86,065	7.3
Queen's	75,784	825	76,609	70,917	8.0
Toronto	243,860	2,685	246,545	229,820	7.3
Trent	12,227	131	12,358	11,250	9.8
Waterloo	84,380	915	85,295	78,730	8.3
Western	113,827	1,225	115,052	105,087	9.5
Wilfrid Laurier	21,450	230	21,680	19,644	10.4
Windsor	46,990	508	47,498	43,450	9.3
York	90,670	942	91,612	80,858	13.3
Oise	15,230	171	15,401	14,710	4.7
Ryerson	48,185	531	48,716	45,486	7.1
OCA	6,887	75	6,962	6,449	8.0
Dominican	111	1	112	102	9.8
TOTAL	1,106,549	12,000	1,118,549	1,029,499	8.6
Bar Admission	685				
Final Enrolment Adjustment	1,416				

Notes: 1. Dominican College receives 50% funding. The theology schools receiving 100% funding are included with the parent institution.

2. 1983-84 formula grants are calculated using an undergraduate BIU value of $3.855, a graduate BIU value of $3.757 and formula fee rates increased by 5.0% over their 1982-83 levels.

3. Bilingualism grants for affiliated institutions are included with the parent institutions.

4. 1982-83 grants were calculated using an undergraduate BIU of $3.669 and a graduate BIU value of $3.576.

5. The distribution of the Equipment and Library Grant was provided by the Ministry of Colleges and Universities.

82-XV Modification of the Operating Grants Formula

The use of an enrolment-sensitive formula to allocate operating grants among the provincially-supported universities, Ryerson Polytechnical Institute, the Ontario Institute for Studies in Education, the Ontario College of Art and Dominican College was instituted for the first time in 1967-68. In this memorandum, Council reviews the development of the present allocative formula and proposes certain further modifications.

FORMULA WEIGHTS

One basic aspect of the current formula involves the assignment of different weights to students on the basis of the programs in which they are enrolled. As the *Operating Formula Manual* states:

> One full-time student enrolled for two terms of general degree work offered in a liberal arts program generates one basic income unit. Work in honours, professional and graduate programs is related on a rough cost basis to this basic core.[1]

Some of the original weight categories were amended during the early years of the formula's existence. Since 1974-75, however, the weights have remained basically unchanged. In Council's opinion - although there may be some discrepancies between existing relative weights and relative costs - in the main "rough justice" is being done in terms of these relationships. Consequently, Council is not prepared to recommend any changes to the current weight categories.

EVOLUTION OF THE FORMULA

In the initial years of the formula's existence, operating grants were calculated on the basis of the current year's enrolment. That is, for a given year, a dollar value for the Basic Income Unit (BIU) was established and then the operating grant to each institution was determined by multiplying that value by the total number of BIUs claimed by the institution in that year. Since then, however, the formula has been modified in such a way as to reduce the direct relationship between enrolment and funding.

For funding in 1973-74, a change was made to a "slip-year" count of BIUs. Specifically, the operating grant for a given year was determined by multiplying the BIU value by the total number of BIUs in the institution in the immediately preceding year. This change was made so that institutions would know their operating grant income prior to the start of the fiscal year rather than having to wait until part-way through the year.

Undergraduate Funding

In Advisory Memorandum 75-II ("Formula Revision: The Question of Formula Sensitivity to Changes in Enrolment"), Council gave notice that it was "seriously contemplating options whereby formula funding might become less sensitive to enrolment changes..."[2] Subsequently, in Advisory Memorandum 75-VII, Council initiated "a gradual process whereby the formula that remains ongoing in the under graduate sector can acquire some reduced sensitivity to enrolment change". Council embarked on this course because, in its discussions with the institutions, Council had received

> ...the impression that fiscal stability sufficient to maintain service levels is accorded a measure of priority over growth

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[1] Ministry of Colleges and Universities, *Operating Formula Manual*, November, 1982, p. 16.

[2] Ontario Council on University Affairs, *Second Annual Report*, 1975-76, p. 20.

> and that accessibility of the university system to student members is hedged by a genuine concern for the quality of a student's university experience. In a context of limited financial resources, there is evident support for reduced sensitivity to enrolment changes...[3]

The first step in this process was taken for 1976-77. The "slip-year" approach was changed to a distribution in accordance with a two-year average in which one-third weight was assigned to BIUs reported in 1974-75 and a two-thirds weight to those reported in 1975-76. The second step was implemented for 1977-78 funding when undergraduate formula grants were distributed in accordance with a three-year average in which the number of BIUs reported in each of 1974-75, 1975-76 and 1976-77 were weighted equally. The two steps thus phased-in, over a two-year period, the use of a three-year average in order to reduce enrolment sensitivity.

The third (and final) step in the process, implemented for the 1978-79 fiscal year, was proposed by Council in Advisory Memorandum 76-VII ("Formula Sensitivity to Undergraduate Enrolment Change"). Noting that its "advice on a formula allocation mechanism should be consistent with the advice it offers on global funding of the university system", Council

> ...concluded that the most appropriate means is to have recourse to an annually moving average whose difference from a stated base could be discounted by a variable percentage that reflected the treatment accorded to the growth component of global funding.[4]

Thus for 1978-79 undergraduate formula grants were distributed in accordance with the number of undergraduate BIUs in a fixed base (established as the average number of BIUs in 1974-75, 1975-76 and 1976-77) plus 50% of the difference between the average number of BIUs in the fixed base and the average number of BIUs in a three-year moving average (for 1978-79: 1975-76, 1976-77 and 1977-78). For subsequent years the fixed base remained unchanged but the three-year moving average moved forward year by year.

Graduate Funding

In Advisory Memorandum 75-V ("Graduate Program Planning and Formula Revision"), Council noted that there was:

> ...a clear need to suspend the existing formula with respect to graduate work in 1976-77, and to maintain this suspension for a period of at least two and possibly three years, during which the entire basis for funding graduate work can be searchingly re-examined.[5]

Hence, Council recommended, in Advisory Memorandum 75-VII, that funding for graduate work in 1976-77 and 1977-78 "be allocated in accordance with the distribution of eligible graduate BIUs reported in 1975-76, these units to be designated during the period of suspension as Graduate Funding Units".[6] One effect of this action was that graduate BIUs acquired a value that was only 97.5% of the value of undergraduate BIUs.

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[3] OCUA, *Second Annual Report*, p.p. 61-62.

[4] Ontario Council on University Affairs, *Third Annual Report*, 1976-77, p.p. 51-52.

[5] Ontario Council on University Affairs, *Second Annual Report*, 1975-76, p.p. 34-35.

[6] *Ibid.*, p. 60.

Subsequently, in Advisory Memorandum 77-VII ("Graduate Program Planning and Funding"), Council responded to the institutions' "need to know what funding mechanism would come into effect at the end of the period of formula suspension in order for them to proceed with planning for the first graduate planning quinquennium".[7] Council signalled its intention to recommend, beginning in 1979-80, as follows:

a) *For Masters and graduate diploma programs,* "the formula currently in use for the funding of undergraduate programs" was to be employed, and

b) *For Doctoral programs,* Council favoured, "a mechanism which employs a fixed base enrolment and a three-year moving average enrolment" but incorporates a "discount/stability factor" of two-thirds (rather than one-half).

The different discounting factor for doctoral programs was suggested in order to provide "a high level of stability designed, in part, to protect funding for research and scholarship".[8]

These proposed arrangements were formally recommended in Advisory Memorandum 78-III ("Graduate Program Planning and Funding") and the fixed base for graduate funding was established using the same three-year period (1974-75, 1975-76 and 1976-77) as was used for undergraduate funding.[9]

THE NEED FOR REVISION

The allocative formula described above has been used for allocating operating funds each year since 1978-79. Even in 1978, however, the effects of restricted funding were being felt. This led Council to comment, in *The Ontario University System: A Statement of Issues* (September, 1978),as follows:

> How severely the individual institutions are affected by global financial constraints will depend, in part, upon the mechanism used to allocate funds among them. Any number of options is possible and most have been discussed repeatedly at considerable length in recent years.
>
> Council is on record as stipulating that any allocative mechanism to be used in the Ontario university sector should provide: '(1) funding stability by preventing extreme fluctuations in institutional income, (2) funding predictability to assist institutions in their planning efforts, (3) equitable allocations among institutions, (4) accountability to the public by linking funds to some quantifiable factor, and finally a method that would be (5) simple to use, understandable and practical to implement' (Advisory Memorandum 77-VII). In its ongoing review of potential allocative mechanisms for undergraduate and graduate programs, Council has considered a great variety of options in light of these criteria. It believes that the formulae used for undergraduate allocations and those recommended for the graduate sector do indeed satisfy these five requirements far better than do any of the other mechanisms put forward from time to time...
>
> > Council can only reiterate that it does not wish to entertain another round of talks concerning allocative mechanisms unless new evidence is presented to show clearly that the criteria governing selection of a funding mechanism should be altered.[10]

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[7] Ontario Council on University Affairs, *Fourth Annual Report*, 1977-78, p. 56

[8] Ibid., p.p. 61-62

[9] Ontario Council on University Affairs, *Fifth Annual Report*, 1978-79, p. 66

[10] Ibid., p.p. 22-23

Although Council did not actively consider further modifications to the allocative formula during the period 1978 through 1982, it did monitor the effectiveness of the formula and published, annually, various analyses of the effects of the formula on institutional funding.[11]

In November 1980, the executive heads of the universities presented a brief to the Premier of Ontario which argued that

> . . . in order to reconcile the publicly endorsed objectives for the universities of Ontario and the level of publicly approved funding, it will require either substantial increased funding or scaling down the objectives for the universities.[12]

In their brief, the executive heads noted that "the character of the funding formula is important because of the degree to which it provides incentives or disincentives for individual institutions to adjust their activities selectively . . ." Thus, if the condition of restricted funding were to continue, "the present funding formula must either be abandoned or converted to a much more flexible instrument of allocation".[13]

In response to the concerns expressed by the executive heads, the Minister of Colleges and Universities announced, on November 28, 1980, the formation of the Committee on the Future Role of Universities in Ontario (CFRUO). Following the issuance of a preliminary report in March, 1981 and a series of public hearings held during May of that year, the Committee submitted its final report on July 20, 1981.

In essence, CFRUO identified two mutually-exclusive approaches to the problems facing the Ontario university system. These were:

a) "funding increases during the 1980s at a level that meets the costs of inflation and the cost of faculty and staff advancement",[14] or
b) "a major restructuring of the current university system to provide the best that can be obtained with the available funding".[15]

Concerning the allocative formula, CFRUO noted that : "Revising the way in which funds are allocated . . . is not a magical solution to inadequate funding". The Committee went on to state that:

> At lower funding levels, however, the current formula is less and less likely to be appropriate. Increasingly, interventionist policies . . . may need to be brought into play . . . If funding levels continue well below inflation the current formula may have to be abandoned.[16]

Since the release of CFRUO's final report, two factors have caused Council to consider seriously possible modifications to the allocative formula. First, Government has rejected the two options put forward by CFRUO in favour of an undefined but resolutely preferred "third way". This alternative is to be "developed cooperatively through a collaborative mechanism established between the Minister and the universities".[17] Second, during Council's 1982 Spring Hearings the vast majority of the institutions indicated their belief that changes to the allocative formula were necessary. Virtually all of the changes suggested involved measures to decrease even further the current formula's sensitivity to enrolment change (often in concert with special extra-formula "rationalization" or "incentive" grants).

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[11] See *System on the Brink: A Financial Analysis of the Ontario University System 1979* .and *A Financial Analysis of the Ontario University System-1980*, 1981 and 1982.

[12] R.L. Watts, *et al.* "*The Situation of the Ontario Universities*", November 5, 1980, p. 1

[13] *Ibid.*, p.p. 16-17.

[14] CFRUO, *Report*, July 20, 1980, p. 47.

[15] *Ibid.*, p. 51.

[16] *Ibid.*, p. 26.

[17] Statement by the Honourable B. Stephenson to the Standing Committee on Social Development of the Legislature of Ontario, November 17, 1982.

CONSTRAINED FUNDING AND THE ALLOCATIVE FORMULA

On November 18, 1974, the then Minister of Colleges and Universities provided the following as Government's objectives in funding the university system: "to offset inflationary trends, to maintain or improve existing levels of service and to accommodate predicted enrolment increases".[18] Since that time, Council has adopted these objectives (in slightly modified form) as its own and has annually submitted advice on global funding with these goals in mind.

On this basis, Council recommended funding levels for the university system for 1976-77 and 1977-78 which were accepted by Government. In responding to Advisory Memorandum 77-III ("Government Support for the University System in 1978-79"), however, the then Minister of Colleges and Universities stated:

> Given the present economic climate both in the private and public sectors, I regret it is already apparent that we will be unable to provide the level of support to the university system in the coming year as recommended by Council. This is not to be taken as a reflection of the validity or the appropriateness of Council's costing exercise. It merely reflects the limits on the province's financial ability to meet demands in every area of service totally . . .[19]

Since then, Council has received, annually, similar reactions to its advice on appropriate funding for the university system. Thus for six successive years (1978-79 to 1983-84), Government funding for the universities has not met the funding objectives of offsetting inflation, maintaining existing levels of service and accommodating predicted enrolment increases.

In his budget statement of May 13, 1982, the Treasurer of Ontario said: "I now serve notice to all recipients of Provincial Funds that they should not count on future funding at or above inflation rates".[20] When combined with Government's rejection of the "full funding" option recommended by CFRUO, the message is clear. The current policy of fiscal restraint, and thus the underfunding of the Ontario university system, will be continuing throughout the foreseeable future. What is equally clear is that adjustments must be made in order to allow the universities to adapt to the financial environment within which they will be operating during the next few years.

Fiscal restraint, in and of itself, is a serious problem. Moreover, when it is combined with an enrolment-sensitive allocative formula, certain undesirable effects occur. As described above, the current allocative formula discounts (somewhat) enrolment growth and decline and thereby "buffers" institutions against enrolment change. Yet it still remains enrolment-sensitive to such an extent that it encourages institutions to increase enrolment regardless of the fact that Government funding for the system is constrained. Hence, institutions may tend to introduce new programs at both the graduate and undergraduate levels in order to expand their enrolment base and/or enrol more students in certain programs than facilities and staffing might normally allow (and thus place the quality of those programs at risk).

The combined effects of enrolment sensitivity and limited funding are such that:

1. With total global funding fixed annually, without any direct relationship to the number of BIUs in the system, an institution that increases its enrolment at a rate greater than the system average increases its share of total funding and thereby reduces the relative share of other institutions. Thus a sister institution that maintains its enrolment (or, indeed, increases its enrolment but at less than the system average) suffers a loss in its share

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[18] Statement by the Honourable J. Auld to the Legislature of Ontario, November 18, 1974.

[19] Letter from the Honourable H. Parrott to Dr. W. C. Winegard, September 16, 1977.

[20] *1982 Ontario Budget*. Budget Statement, p. 17.

of funding. This would not be a serious problem if global funding for the total system were not constrained.

2. The annual increases in funding to the various institutions under an enrolment-sensitive allocative formula can vary widely. For 1982-83, for example, with an increase of 12.2% in Government operating grants, the range of grant increases to the institutions (excluding Laurentian's affiliated colleges) was from 9.8% (OISE) to 16.1% (Brock). This occurred not so much because those receiving the smaller increases had suffered a decline in enrolment but more because those receiving the greater funding increases had greater increases in enrolment. Again, such sensitivity to enrolment is acceptable only if total funding increases are such that even the smaller increases are sufficient to meet an institution's increases in costs.

Thus, some institutions will continue year after year to receive funding increases that are much less than the average increases for the system (which themselves may be less than inflation). Other institutions will receive more than the average increases and may, in fact, receive increases that exceed inflation because of the effect of relative enrolment change. The adverse impact of an enrolment-sensitive allocative formula under constrained funding will, therefore, be felt increasingly by certain institutions as the total number of students seeking university education declines. Such a decline may occur during the next several years.

A further problem with an enrolment-sensitive formula is that it contains an inherent disincentive for an institution either to "phase-out" programs that have become redundant or to rationalize its programs and enrolment levels. This is because if such action results in a decline in total enrolment, the institution's share of funding will decline - an important consideration when system funding is severely constrained.

PROPOSED MODIFICATIONS TO THE ALLOCATIVE FORMULA

Council begins by re-affirming its conviction that any allocative formula should provide:

1) funding stability by preventing extreme fluctuations in institutional income,
2) funding predictability to assist institutions in their planning efforts,
3) equitable allocations among institutions,
4) accountability to the public by linking funds to some quantifiable factor, and
5) a method that is simple to use, understandable and practical to implement.

In order to offset the perceived effects of an enrolment-sensitive allocative formula during a period of constrained funding, Council proposes that the current formula be made even more insensitive to enrolment change, within specified limits. By such action, Council intends:

a) to eliminate the erosion of grant revenue accruing to "steady-state" institutions which results from enrolment increases in other institutions,
b) to reduce the disparity in annual revenue increases among institutions,
c) to reduce the likelihood of aggressive competition for enrolment among institutions in the face of the projected decline in the traditional university age-group population, and
d) to retain some measure of enrolment sensitivity through the medium of tuition fee revenue.

At the same time, Council suggests that provision be made for a return to greater enrolment sensitivity when, and only when, Government support for the university system becomes adequate to meet the funding objectives for the system.

Constant Share Funding
To accomplish a), b) and c) above, Council proposes that the allocation of operating grants be made on the basis of a fixed, constant share of total BIUs (to be known as "Base Units"). This change to constant share funding should be phased-in over a three-year period in such a way that:

a) the impact of institutional decisions on enrolment levels made under the terms of the current formula (i.e., up to and including 1982-83) is acknowledged, but
b) the impact of subsequent enrolment decisions (i.e., those applicable to 1983-84 and beyond) is not acknowledged.

Such a procedure would ensure the equitable treatment of institutions during the period of implementation of the proposed modifications to the formula by acknowledging the "flow through" of current enrolment. In particular, acknowledging the "flow-through" is the only way to ensure that institutions, which made enrolment decisions in good faith under the current formula, will not be penalized retroactively by the introduction of the revised formula.

On this basis, the allocation of operating grants for 1983-84 funding will proceed under the terms of the current formula. For 1984-85, however, the number of funding BIUs for each institution will include the number each had in 1982-83, adjusted for changes in the numbers of continuing students (only) in 1983-84. Similarly, the number of funding BIUs for each institution for 1985-86 will include the number each had in 1983-84 adjusted for changes in the number of continuing students (only) in 1984-85 (excluding those who registered for the first time in 1983-84). The number of funding BIUs for each institution for 1985-86 will then remain fixed without further adjustment in subsequent years and will constitute the institution's Base Units.

Accordingly, Basic Operating Income (i.e., formula grants plus funding formula fees) will be allocated in 1984-85 and 1985-86 on the basis of the units determined above for the respective years. In 1986-87 and subsequent years, Basic Operating Income (BOI) will be allocated on the basis of the units calculated for 1985-86 without any further adjustment for continuing students.

Council also proposes that, in the process of arriving at a fixed number of units for each institution by 1985-86, the opportunity be taken to revert to a single unit value for both undergraduate and graduate BIUs. This should be done in a manner which does not alter the allocation of BOI or operating grants. It would be accomplished by determining the weighted average (for each institution) of the undergraduate BIU value and the graduate BIU value for 1984-85 and 1985-86 and then determining the number of BIUs for each institution so that, by using a single BIU value, the same BOI results.

Funding Floor
Council believes that, while some "room for rationalization" must be provided, an institution should not be able to reduce its enrolment below a certain level and still maintain the same level of funding. Hence, in order to identify the range within which an institution's enrolment will be allowed to change without resulting in a loss of share of BOI, Council proposes that a "funding floor" be defined. Specifically, "Formula Units" for each institution should be calculated annually by using a discounting formula similar in all respects to the current formula, except that the fixed base years would be 1980-81, 1981-82 and 1982-83 (instead of 1974-75, 1975-76 and 1976-77). The updating of the fixed base years is suggested in order to make the fixed base more closely related to current enrolment differences among the institutions.

Council proposes that the Formula Units for an institution be allowed to decline to a level of 95% of its Base Units (the "funding floor") without causing any change in its share of BOI (as determined by its Base Units). Thus there would be a range within which an institution's enrolment will be allowed to change without incurring a loss of share of BOI. If an institution's number of Formula Units falls more than 5% below its number of Base Units, it would be funded on the basis of its Formula Units plus 5% of its

Base Units. In this circumstance, there would be fewer BIUs for the system and the value of the BIU would, therefore, be increased. Thus, for a given institution:

a) if Formula Units are greater than, or equal to, 95% of Base Units then funding would be determined by the Base Units, but
b) if Formula Units are less than 95% of Base Units then funding would be determined by:
(Formula Units plus 5% of Base Units).

Because the method of calculating the Base Units during the phase-in period continues to be enrolment-sensitive, the funding floor (as described above) would not be applied during the phase-in period (i.e., not before the 1986-87 funding year).

In order to retain some measure of enrolment sensitivity through the medium of tuition fee revenue, Council further proposes that formula tuition fees related to the Formula Units in excess of an institution's Base Units be retained by the institution (i.e., that they not be included in any BOI calculation).

PERCEIVED EFFECTS OF THE MODIFIED FORMULA

Under Council's proposal, if an institution's enrolment declines (for whatever reason) and its Formula Units therefore decrease, it retains its share of BOI as long as its Formula Units are not less than 95% of its Base Units. Thus the institution may conduct effective rational academic planning without being concerned about possible funding losses.

If an institution's number of Formula Units is above 95% of its number of Base Units, it may increase its Formula Units by increasing its enrolment but will remain funded only on its Base Units. The institution would, however, benefit from the increased tuition fee revenue related to the enrolment increase. If an institution's enrolment declines so that its Formula Units are less than 95% of its Base Units, it will lose funding in accordance with the proposed new discounting formula.

If at some time in the future - as a result of a decline in total system enrolment - the total number of Formula Units in the system falls below the total number of Base Units in the system, Council could consider options such as the following:

1. That the allocation be made on the basis of the Formula Units in each institution. To make such a change in one year might cause undesirable discontinuities in income for some institutions, especially those that are at or below the limit of 95% of Base Units. Hence, Council could consider a "phase-in" period (or at least a warning period) of one or two years. In any event, by such action all institutions would be returned to an allocative formula that has enrolment sensitivity equal to that of the current allocative formula.
2. That the number of Base Units for each institution be reduced proportionately so that the number of total Base Units in the system is reduced below the total number of Formula Units for the system. Thus the allocation would continue to be on the Base Units.

Any move from constant share would be a specific recommendation made by Council which would be based on, among other factors, the level of operating grants made available at the time.

An Evaluation of the Proposed Modified Allocative Formula

The revised formula provides funding stability by preventing extreme fluctuations in institutional income. Indeed, it increases funding stability in that it removes the effect of enrolment change within specified limits on funding. It provides funding predictability. In fact, it increases an institution's ability to predict its funding since the institution needs to project only the global funding increase and its own enrolment. An institution would not need to project the enrolment of other institutions.

The revised formula provides for equitable allocations among institutions. It retains accountability to the public by linking funds to a quantifiable factor (i.e., Base Units or Formula Units). Although Council does acknowledge some measure of complexity during the initial years of adjustment of the fixed Base Units required to acknowledge "flow-through", thereafter the modified formula would be simple to use, understandable and practical to implement. It provides a new opportunity for institutions, individually and collectively, to plan and implement the changes in academic programs and enrolment that are deemed necessary and desirable in order to ensure that the system as a whole maintains an optimum breadth of programs and quality of education (given the funds available).

Accordingly, Council *recommends to the Minister:*

> *OCUA 82-32*
> *DISTRIBUTION MECHANISM WITH RESPECT TO FORMULA GRANTS AND FORMULA TUITION FEES FOR IMPLEMENTATION FOR THE FUNDING YEAR 1984-85.*
>
> *THAT,* in accordance with the considerations noted in this memorandum, appropriate modifications to the allocative formula be announced for implementation beginning with the 1984-85 funding year.

Council notes that there are technical details involved in:

(a) determining the flow-through of continuing students in 1983-84, 1984-85 and 1985-86,
(b) the adjustment of the Base Units in 1983-84, 1984-85 and 1985-86 to replace the separate values for undergraduate BIUs and graduate BIUs with a single BIU value, and
(c) the change in fixed base years in the formula for calculating Formula Units for each institution.

Council suggests that, when Recommendation 82-32 is accepted by the Minister, the Ministry circulate, to all institutions, a document outlining these technical details.

TUITION FEE POLICIES

Although tuition fee policies are not an integral part of the allocative formula, they have been discussed on various occasions as part of the discussions concerning formula revision. In Advisory Memorandum 79-IV ("Tuition Fee Policy for the Ontario University System"), Council made recommendations concerning tuition fees which led to the establishment of the current policies:

a) formula tuition fee levels are set annually by Government and (usually) indexed to the increase in global funding, and
b) institutions may, at their discretion, assess tuition fees which are 10% higher than the formula tuition fee level without incurring any loss of operating grant income.

No changes to existing tuition fee policies are necessary as a result of the modifications to the allocative formula per se. However, as was noted in Advisory Memorandum 79-IV, Council expects to review these policies during 1983-84 and may make further recommendations after its review has been completed.

Council does, however, wish to make explicit its intention that, under the modified allocative formula, tuition fee policies would continue to apply to all students in degree and diploma programs for which formula grants are normally provided by Government.

Council assumes that there will continue to be a differential tuition fee for visa students. Consistent with current practice, the difference between domestic tuition fee income and visa tuition fee income would be re-distributed by increasing the BIU value.

EXTRA-FORMULA GRANTS

Currently, there are extra-formula grants to certain institutions because of acknowledged extra costs for specified reasons. Thus there are Northern Grants, Bilingualism Grants and a Differentiation Grant (presently for Trent University only). Even under the revised formula, Council believes that extra-formula grants will continue to be required. The level of existing grants and the need for other kinds of extra-formula grants will continue to receive the attention of Council in the future.

Council has discussed the possible need for extra-formula grants to assist institutions to phase out certain programs. Under the existing formula, there may be some justification for such grants because phase-out of a program would involve the loss of enrolment and may result, therefore, in some loss of income in advance of the institution being able to reduce its costs. Under the revised formula, provided that its Formula Units are greater than its Base Units, an institution may phase out a program and not suffer a loss of income (other than the tuition fees relating to enrolment in that program). Hence, Council believes that extra-formula "phase-out" grants are not required at this time.

PROGRAM FUNDING APPROVAL

Under the current allocative formula, there is an incentive for an institution to propose a new program for funding approval because, if successful, the institution can increase the number of BIUs for which it is funded. Under the revised formula, that incentive is lacking if the institution has Formula Units in excess of 95% of its Base Units.

However, Council expects that no institution will offer a new program without having it approved by the processes set out currently, or in the future, for funding approval. This expectation is based on the institutions' stated concerns about quality and program duplication. The BIUs generated by new approved programs would be included in the Formula Units for the institution but may not generate more grant income immediately. They would, of course, generate additional grant income for the institution if its Formula Units were less than 95% of its Base of Units.

In order to encourage compliance with the procedures for graduate and undergraduate program approval, Council proposes that there be a sanction against an institution that registers students in a program that has not been approved for funding.

Accordingly, Council *recommends to the Minister:*

> *OCUA 82-33*
> *TUITION FEES ASSOCIATED WITH STUDENTS ENROLLED IN PROGRAMS NOT APPROVED FOR FUNDING*
>
> *THAT*, if a university offers a program which currently requires funding approval (without having received approval for funding), the tuition fees assessed the students in that program be deducted from the institution's operating grant.

If Recommendation 82-33 is accepted by the Minister, Council will undertake to assess the implications relating to the processes by which funding approval for new programs is granted. Further, Council will develop appropriate transitional arrangements for programs which would be affected retroactively by acceptance of the Recommendation.

A FINAL NOTE

Council wishes to emphasize that the modifications of the allocative formula recommended above will not solve the basic problem of constrained funding for the university system. Council does believe, however, that the modifications will encourage and assist the institutions to rationalize their programs and to take various other actions, individually and collectively, which will ensure that Ontario continues to have a university system that is responsive to societal needs and of the highest quality possible with the resources available.

Council, on the basis of consultations held by its Chairman with the executive heads, has good reason to believe that the revision it proposes has consensus support from the institutions. However, Council believes strongly that the institutions should have the opportunity to state to the Minister any explicit concerns that may remain on the basis of full knowledge of what Council is recommending and before any decision is made. For this reason, Council urges that the Minister make this Advisory Memorandum public upon receipt. It also asks that the Minister make every effort to time her consultations with the institutions so as to permit a Government decision on formula revision before 1983-84 enrolment decisions are made (i.e., by early May of 1983). In line with the above considerations, Council *recommends to the Minister:*

OCUA 82-34
RELEASE OF ADVISORY MEMORANDUM 82-XV

THAT the Minister release this Advisory Memorandum upon receipt.

B. C. Matthews
Chairman
February 18, 1983

OCUA Public Meetings, 1982 - 83

OCUA Public Meetings 1982-83

Date	**Location of Meeting, and Institutions or Organizations**
April 2, 1982	**Queen's Park** Ryerson Polytechnical Institution Ontario Federation of Students Ontario Institute for Studies in Education Council of Ontario Universities
April 16, 1982	**Queen's Park** University of Toronto Ontario Confederation of University Faculty Associations Confederation of University Staff Associations
April 30, 1982	**Trent University** Trent University University of Ottawa Carleton University Queen's University
May 7, 1982	**Hearst University College** Laurentian University Algoma University College Hearst University College Nipissing University College
May 14, 1982	**Queen's Park** Lakehead University
	York University McMaster University Brock University York University University of Guelph
June 4, 1982	**University of Western Ontario** University of Western Ontario University of Windsor University of Waterloo Wilfrid Laurier University
June 11, 1982	**Queen's Park** University of Toronto Faculty Association Ontario College of Art

OCUA Recommendations and Government Responses, 1982-83

OCUA Recommendations and Government Responses, 1982-83

Recommendations Number	Title	Response
Advisory Memorandum 82-I		
82-1	Funding for the Master's Program in Teaching at McMaster University for 1982/83	Accepted
82-2	Funding for the Doctoral Program in Veterinary Science at the University of Guelph for 1982-83	Accepted
82-3	Funding for the Master's Program in Speech Pathology at the University of Toronto for 1982-83	Accepted
Advisory Memorandum 82-II		
82-4	Minimum Admission Standards for the Funding Support of Students registered in the first year of Undergraduate Degree Programs	Decision Pending
Advisory Memoranda 82-III and 82-IIIA		
82-5A	Government Operating Grants for 1983-84 to Meet the Costs of Council's Basic Objectives in Funding the Operation of Provincially-Assisted Universities and their affilliated colleges, Ryerson Polytechnical Institute, the Ontario Institute for Studies in Education, the Ontario College of Art and Dominican College	Not Accepted
82-6	Formula Fee Rates for 1983-84 to meet the costs of Council's Basic Objectives	Not Accepted
82-7	Funding for 1983-84 for existing Bilingualism Programs and for the Bar Admission Course	Not Accepted
82-8	Equipment and Library Funding for 1983-84	Accepted
82-9	Level of Support for Major Repairs Renovations and Replacement Projects in 1983-84	Not Accepted
Advisory Memorandum 82-IV		
82-10	Ontario Graduate Scholarship Stipends, 1983-84	Not Accepted
82-11	Institutional Awards to Universities without Doctoral Programs	Accepted
82-12	Ontario Graduate Scholarships to Recent Landed Immigrants and Persons on Student Visas	Accepted
82-13	Number of Ontario Graduate Scholarship Awards in 1983-84	Accepted
Advisory Memorandum 82-V		
82-14	Restriction on University Deficits	Accepted
Advisory Memorandum 82-VI		
82-14A	Funding for the Doctoral Program in Social Demography at the University of Western Ontario for 1982-83	Accepted

82-15	Funding for the Master's Program in Art History at Queen's University for 1982-83.	Accepted
82-16	Funding for the Master's Program in Geology at Lakehead University.	Not Accepted
Advisory Memorandum 82-VII		
82-17	Removal of the "Freeze" on new Undergraduate Programs.	Accepted
82-18	Policies and Procedures on Approval of New Undergraduate Programs.	Accepted
Advisory Memorandum 82-VIII		
82-19	Establishment of a New University in Northeastern Ontario.	Accepted
Advisory Memorandum 82-IX		
82-20	Delay of Proposed 1983-84 Increase in Fees for Visa Graduate Students.	Accepted
82-21	Fees Level for Visa Graduate Students Registering for Doctoral Degree following a Master's Degree.	Accepted
Advisory Memorandum 82-X		
82-23	Funding for the Master's Program in Symbolic Anthropology at the University of Western Ontario.	Accepted
Advisory Memorandum 82-XI		
82-24	Funding for Existing Degree Programs at Ryerson Polytechnical Institute.	Accepted
Advisory Memorandum 82-XII		
82-25	Compulsory Ancillary Fees and the Ontario Student Assistance Program.	Partially Accepted (see Minister's letter of June 8, 1983, which follows this table.)
Advisory Memorandum 82-XIII		
82-26	Funding for the Undergraduate Program in Computer Systems Engineering at Carleton University.	Accepted
Advisory Memorandum 82-XIV		
82-27	Differentiation Grant for Trent University 1983-84	Accepted
82-28	Northern Ontario Grants 1983-84	Accepted
82-29	Bilingualism Grants 1983-84	Accepted
82-30	Grant to the Law Society of Upper Canada on behalf of the Bar Admission Course.	Accepted
82-31	Graduate and Undergraduate BIU Values for 1983-84.	Accepted
Advisory Memorandum 82-XV		
82-32	Distribution Mechanism with Respect to Formula Grants and Formula Tuition Fees for implementation for the Funding Year 1984-85.	Not Accepted
82-33	Tuition Fees Associated with Students Enrolled in Programs not approved for Funding.	Not Accepted
82-34	Release of Advisory Memorandum 82-XV.	Accepted

Response to Advisory Memorandum 82-XII

Ontario

Ministry
of
Education
Ministry of
Colleges and
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June 8, 1983

Dr. B.C. Matthews
Chairman
Ontario Council on University Affairs
7th Floor
700 Bay Street
Toronto, Ontario
M5G 1Z6

Dear Mr. Matthews:

I have reviewed Advisory Memorandum 82-XII, "Compulsory Ancillary Fees", and I am accepting the advice contained in Recommendation 82-25 for 1983-84.

In accepting Council's advice for the coming year, I am cognizant of the difficulties that are identified in the Memorandum in connection with the lack of a complete data base from which trend analysis could be undertaken. I am also mindful of Council's willingness to monitor developments in this area and to establish, through C.O.U., a standard data reporting format for use in future analyses. This activity is particularly important in light of Cabinet's concern for the impact of ancillary fees on the provincial policy of accessibility, and I would therefore ask that you proceed immediately to establish a data collection and monitoring system to this end.

I would ask that Council work towards the determination of an identifiable point at which the "unreasonable" fee level criterion identified in the Advisory Memorandum, comes into play. With this identified level in mind, it is my intent to ask staff to review the current open-ended OSAP policy vis-à-vis ancillary fees, and to give consideration to adjusting Ministry policy in a manner consistent with present practice for books and supplies, local travel, etc. As you know, OSAP support for these items is limited to an identified maximum.

I would appreciate receiving Council's advice on the level at which ancillary fees cease to be reasonable, by the end of 1983. This would allow staff to make any necessary policy adjustments in time for the 1984-85 year.

Yours truly

Bette Stephenson, M.D.
Minister